



# महाराष्ट्र शासन राजपत्र

## भाग सहा

वर्ष १, अंक ३]

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### प्राधिकृत प्रकाशन

संसदेचे अधिनियम व राष्ट्रपतींनी प्रख्यापित केलेले अध्यादेश

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### LAW AND JUDICIARY DEPARTMENT

Madam Cama Road, Hutatma Rajguru Chowk, Mantralaya  
Mumbai 400 032, dated the 11th February 2015.

No. 230/B.—The following Act of Parliaments are hereby republished for general information :—

**MINISTRY OF LAW AND JUSTICE**

(LEGISLATIVE DEPARTMENT)

*New Delhi, the 12th May 2014/Vaisakha 22, 1936 (Saka)*

The following Act of Parliament received the assent of the president on the 9th May, 2014, and is hereby published for general information :—

**THE WHISTLE BLOWERS PROTECTION ACT, 2011****(No. 17 of 2014)***[9th May, 2014.]*

AN ACT to establish a mechanism to receive complaints relating to disclosure on any allegation of corruption or wilful misuse of power or wilful misuse of discretion against any public servant and to inquire or cause an inquiry into such disclosure and to provide adequate safeguards against victimisation of the person making such complaint and for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows :—

**CHAPTER I****PRELIMINARY**

**1. Short title, extent and commencement.**—(1) This Act may be called the Whistle Blowers Protection Act, 2011.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint ; and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

**2. Provisions of this Act not to apply to Special Protection Group.**—The provisions of this Act shall not apply to the armed forces of the Union, being the Special Protection Group constituted under the Special Protection Group Act, 1988 (34 of 1988).

**3. Definitions.**—In this Act, unless the context otherwise requires,—

(a) “Central Vigilance Commission” means the Commission constituted under sub-section (1) of section 3 of the Central Vigilance Commission Act, 2003 (45 of 2003) ;

(b) “Competent Authority” means—

(i) in relation to a Member of the Union Council of Ministers, the Prime Minister ;

(ii) in relation to a Member of Parliament, other than, a Minister, the Chairman of the Council of States if such Member is a Member of the Council of States or the Speaker of the House of the People if such Member is a Member of the House of the People, as the case may be ;

(iii) in relation to a Member of the Council of Ministers in a State or Union territory, the Chief Minister of the State or Union territory, as the case may be ;

(iv) in relation to a Member of Legislative Council or Legislative Assembly of a State or Union territory, other than a Minister, the Chairman of the Legislative Council if such Member is a Member of the Council or the Speaker of the Legislative Assembly if such Member is a Member of the Assembly, as the case may be ;

(v) in relation to—

(A) any Judge (except a Judge of the Supreme Court or of a High Court) including any person empowered by law to discharge, whether by himself or as a member of any body of persons, any adjudicatory functions ; or

(B) any person authorised by a court of justice to perform any duty, in connection with the administration of justice, including a liquidator, receiver or commissioner appointed by such court ; or

(C) any arbitrator or other person to whom any cause or matter has been referred for decision or report by a court of justice or by a competent public authority, the High Court ;

(vi) in relation to—

(A) any person in the service or pay of the Central Government or remunerated by the Central Government by way of fees or commission for the performance of any public duty [except Ministers, Members of Parliament and members or persons referred to in clause (a) or clause (b) or clause (c) or clause (d) of article 33 of the Constitution], or in the service or pay of a society or local authority or any corporation established by or under any Central Act, or an authority or a body owned or controlled or aided by the Central Government or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), owned or controlled by the Central Government ; or

(B) any person who holds an office by virtue of which he is empowered to prepare, publish, maintain or revise an electoral roll or to conduct an election or part of an election in relation to elections to Parliament or a State Legislature ; or

(C) any person who holds an office by virtue of which he is authorised or required to perform any public duty (except Ministers and Members of Parliament) ; or

(D) any person who is the president, secretary or other office-bearer of a registered co-operative society engaged in agriculture, industry, trade or banking, receiving or having received any financial aid from the Central Government or from any corporation established by or under a Central Act, or any authority or body or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956) owned or controlled or aided by the Central Government ; or

(E) any person who is a chairman, member or employee of any Central Service Commission or Board, by whatever name called, or a member of any selection committee appointed by such Commission or Board for the conduct of any examination or making any selection on behalf of such Commission or Board ; or

(F) any person who is a Vice-Chancellor or member of any governing body, professor, associate professor, assistant professor, reader, lecturer or any other teacher or employee, by whatever designation called, of any University established by a Central Act or established or controlled or funded by the Central Government or any person whose services have been availed of by such University or any such other public authority in connection with holding or conducting examinations ; or

(G) any person who is an office-bearer or an employee of an educational, scientific, social, cultural or other institution, in whatever manner established, receiving or having received any financial assistance from the Central Government or any local or other public authority,

the Central Vigilance Commission or any other authority, as the Central Government may, by notification in the *Official Gazette*, specify in this behalf under this Act ;

(vii) in relation to—

(A) any person in the service or pay of the State Government or remunerated by the State Government by way of fees or commission, for the performance of any public duty (except Ministers, Members of Legislative Council or Legislative Assembly of the State), or in the service or pay of a society or local authority or any corporation established by or under a Provincial or State Act, or an authority or a body owned or controlled or aided by the State Government or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956), owned or controlled by the State Government ; or

(B) any person who holds an office by virtue of which he is empowered to prepare, publish, maintain or revise an electoral roll or to conduct an election or part of an election in relation to municipality or Panchayats or other local body in the State ; or

(C) any person who holds an office by virtue of which he is authorised or required to perform any public duty in relation to the affairs of the State Government (except Ministers and Members of Legislative Council or Legislative Assembly of the State) ; or

(D) any person who is the president, secretary or other office-bearer of a registered co-operative society engaged in agriculture, industry, trade or banking, receiving or having received any financial aid from the State Government or from any corporation established by or under a Provincial or State Act, or any authority or body or a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956) owned or controlled or aided by the State Government ; or

(E) any person who is a chairman, member or employee of any State Service Commission or Board, by whatever name called, or a member of any selection committee appointed by such Commission or Board for the conduct of any examination or making any selection on behalf of such Commission or Board ; or

(F) any person who is a Vice-Chancellor or member of any governing body, professor, associate professor, assistant professor, reader, lecturer or any other teacher or employee, by whatever designation called, of any University established by a Provincial or State Act or established or controlled or funded by the State Government and any person whose services have been availed of by such University or any such other public authority in connection with holding or conducting examinations ; or

(G) any person who is an office-bearer or an employee of an educational, scientific, social, cultural or other institution, in whatever manner established, receiving or having received any financial assistance from the State Government or any local or other public authority,

the State Vigilance Commission, if any, or any officer of the State Government or any other authority, as the State Government may, by notification in the *Official Gazette*, specify in this behalf under this Act ;

(viii) in relation to members or persons referred to in clause (a) or clause (b) or clause (c) or clause (d) of article 33 of the Constitution, any authority or authorities as the Central Government or the State Government, as the case may be, having jurisdiction in respect thereof, may, by notification in the *Official Gazette*, specify in this behalf under this Act ;

(c) “complainant” means any person who makes a complaint relating to disclosure under this Act ;

(d) “disclosure” means a complaint relating to,—

(i) an attempt to commit or commission of an offence under the Prevention of Corruption Act, 1988 (49 of 1988) ;

(ii) wilful misuse of power or wilful misuse of discretion by virtue of which demonstrable loss is caused to the Government or demonstrable wrongful gain accrues to the public servant or to any third party ;

(iii) attempt to commit or commission of a criminal offence by a public servant,

made in writing or by electronic mail or electronic mail message, against the public servant and includes public interest disclosure referred to in sub-section (2) of section 4 ;

(e) “electronic mail” or “electronic mail message” means a message or information created or transmitted or received on any computer, computer system, computer resource or

communication device including attachments in text, image, audio, video and any other electronic record, which may be transmitted with the message ;

(f) "Government company" means a company referred to in section 617 of the Companies Act, 1956 (1 of 1956) ;

(g) "notification" means a notification published in the Gazette of India or, as the case may be, the Official Gazette of a State ;

(h) "public authority" means any authority, body or institution falling within the jurisdiction of the Competent Authority ;

(i) "public servant" shall have the same meaning as assigned to it in clause (c) of section 2 of the Prevention of Corruption Act, 1988 (49 of 1988) ; but shall not include a Judge of the Supreme Court or a Judge of a High Court ;

(j) "prescribed" means prescribed by rules made by the Central Government and the State Government, as the case may be, under this Act ;

(k) "regulations" means the regulations made by the Competent Authority under this Act.

## CHAPTER II

### PUBLIC INTEREST DISCLOSURE

4. *Requirement of public interest disclosure.*—(1) Notwithstanding anything contained in the provisions of the Official Secrets Act, 1923, (9 of 1923) any public servant or any other person including any non-governmental organisation, may make a public interest disclosure before the Competent Authority.

(2) Any disclosure made under this Act shall be treated as public interest disclosure for the purposes of this Act and shall be made before the Competent Authority and the complaint making the disclosure shall, on behalf of the Competent Authority, be received by such authority as may be specified by regulations made by the Competent Authority.

(3) Every disclosure shall be made in good faith and the person making disclosure shall make a personal declaration stating that he reasonably believes that the information disclosed by him and allegation contained therein is substantially true.

(4) Every disclosure shall be made in writing or by electronic mail or electronic mail message in accordance with the procedure as may be prescribed and contain full particulars and be accompanied by supporting documents, or other materials, if any.

(5) The Competent Authority may, if it deems fit, call for further information or particulars from the person making the disclosure.

(6) No action shall be taken on public interest disclosure by the Competent Authority if the disclosure does not indicate the identity of the complainant or public servant making public interest disclosure or the identity of the complainant or public servant is found incorrect or false.

## CHAPTER III

### INQUIRY IN RELATION TO PUBLIC INTEREST DISCLOSURE

5. *Powers and functions of Competent Authority on receipt of public interest disclosure.*—(1) Subject to the provisions of this Act, the Competent Authority shall, on receipt of a public interest disclosure under section 4,—

(a) ascertain from the complainant or the public servant whether he was the person or the public servant who made the disclosure or not ;

(b) conceal the identity of the complainant unless the complainant himself has revealed his identity to any other office or authority while making public interest disclosure or in his complaint or otherwise.

(2) The Competent Authority shall, upon receipt of the complaint and concealing the identity of the complainant, or the public servant in the first instance, make discreet inquiry, in such manner and within such time as may be prescribed, to ascertain whether there is any basis for proceeding further to investigate the disclosure.

(3) If the Competent Authority, either as a result of the discreet inquiry, or on the basis of the disclosure itself without any inquiry, is of the opinion that the disclosure requires to be investigated, it shall seek comments or explanation or report from the Head of the Department of the organisation or authority, board or corporation concerned or office concerned within such time as may be specified by it.

(4) While seeking comments or explanations or report referred to in sub-section (3), the Competent Authority shall not reveal the identity of the complainant or the public servant and direct the Head of the Department of the organisation concerned or office concerned not to reveal the identity of the complainant or public servant :

Provided that if the Competent Authority is of the opinion that it has, for the purpose of seeking comments or explanation or report from them under sub-section (3) on the public disclosure, become necessary to reveal the identity of the complainant or public servant to the Head of the Department of the organisation or authority, board or corporation concerned or office concerned, the Competent Authority may, with the prior written consent of the complainant or public servant, reveal the identity of the complainant or public servant to such Head of the Department of the organisation or authority, board or corporation concerned or office concerned for the said purpose :

Provided further that in case the complainant or public servant does not agree to his name being revealed to the Head of the Department, in that case, the complainant or public servant, as the case may be, shall provide all documentary evidence in support of his complaint to the Competent Authority.

(5) The Head of the organisation or office concerned shall not directly or indirectly reveal the identity of the complainant or public servant who made the disclosure.

(6) The Competent Authority, if after conducting an inquiry, is of the opinion that—

(a) the facts and allegations contained in the disclosure are frivolous or vexatious ;

or

(b) there are no sufficient grounds for proceeding with the inquiry,

it shall close the matter.

(7) After receipt of the comments or explanations or report referred to in sub-section (3), if the Competent Authority is of the opinion that such comments or explanations or report reveals either wilful misuse of power or wilful misuse of discretion or substantiates allegations of corruption, it shall recommend to the public authority to take any one or more of the following measures, namely :—

(i) initiating proceedings against the concerned public servant ;

(ii) taking appropriate administrative steps for redressing the loss caused to the Government as a result of the corrupt practice or misuse of office or misuse of discretion, as the case may be ;

(iii) recommend to the appropriate authority or agency for initiation of criminal proceedings under the relevant laws for the time being in force, if so warranted by the facts and circumstances of the case ;

(iv) recommend for taking of corrective measures ;

(v) take any other measures not falling under clauses (i) to (iv) which may be necessary for the purpose of this Act.

(8) The public authority to whom a recommendation is made under sub-section (7) shall take a decision on such recommendation within three months of receipt of such recommendation, or within such, extended period not exceeding three months, as the Competent Authority may allow on a request made by the public authority :

Provided that in case the public authority does not agree with the recommendation of the Competent Authority, it shall record the reasons for such disagreement.

(9) The Competent Authority shall, after making an inquiry, inform the complainant or public servant about the action taken on the complaint and the final outcome thereof :

Provided that in a case where, after making an inquiry, the Competent Authority decides to close the case, it shall, before passing the order for closure of the case, provide an opportunity of being heard to the complainant, if the complainant so desires.

**6. Matters not to be inquired by Competent Authority.**—(1) If any matter specified or an issue raised in a disclosure has been determined by a Court or Tribunal authorised to determine the issue, after consideration of the matters specified or issue raised in the disclosure, the Competent Authority shall not take notice of the disclosure to the extent that the disclosure seeks to reopen such issue.

(2) The Competent Authority shall not entertain or inquire into any disclosure—

(a) in respect of which a formal and public inquiry has been ordered under the Public Servants (Inquiries) Act, 1850 (37 of 1850) ; or

(b) in respect of a matter which has been referred for inquiry under the Commissions of Inquiry Act, 1952 (60 of 1952).

(3) The Competent Authority shall not investigate, any disclosure involving an allegation, if the complaint is made after the expiry of seven years from the date on which the action complained against is alleged to have taken place.

(4) Nothing in this Act shall be construed as empowering the Competent Authority to question, in any inquiry under this Act, any *bona fide* action or *bona fide* discretion (including administrative or statutory discretion) exercised in discharge of duty by the employee.

## CHAPTER IV

### POWERS OF COMPETENT AUTHORITY

**7. Powers of Competent Authority.**—(1) Without prejudice to the powers conferred upon the Competent Authority under any other law for the time being in force, the Competent Authority, may require, for the purpose of any inquiry any public servant or any other person who in its opinion shall be able to furnish information or produce documents relevant to the inquiry or assist in the inquiry, to furnish any such information or produce any such document as may be necessary for the said purpose.

(2) For the purpose of any such inquiry (including the preliminary inquiry), the Competent Authority shall have all the powers of a Civil Court while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908), in respect of the following matters, namely :—

- (a) summoning and enforcing the attendance of any person and examining him on oath ;
- (b) requiring the discovery and production of any document ;
- (c) receiving evidence on affidavits ;
- (d) requisitioning any public record or copy thereof from any court or office ;
- (e) issuing commissions for the examination of witnesses or documents ;
- (f) such other matters as may be prescribed.

(3) The Competent Authority shall be deemed to be a Civil Court for the purpose of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974), and every proceeding before the Competent Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code (45 of 1860).

(4) Subject to the provisions of section 8, no obligation to maintain secrecy or other restriction upon the disclosure of information obtained by or furnished to the Government or any public servant, whether imposed by the Official Secrets Act, 1923 (19 of 1923) or any other law for the time being in force, shall be claimed by any public servant in the proceedings before the

Competent Authority or any person or agency authorised by it in writing and the Government or any public servant shall not be entitled in relation to any such inquiry, to any such privilege in respect of the production of documents or the giving of evidence as is allowed by any enactment or by any rules made thereunder :

Provided that the Competent Authority, while exercising such powers of the Civil Court, shall take steps as necessary to ensure that the identity of the person making complaint has not been revealed or compromised.

**8. *Certain matters exempt from disclosure.***—(1) No person shall be required or be authorised by virtue of provisions contained in this Act to furnish any such information or answer any such question or produce any document or information or render any other assistance in the inquiry under this Act if such question or document or information is likely to prejudicially affect the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign State, public order, decency or morality or in relation to contempt of court, defamation or incitement to an offence,—

(a) as might involve the disclosure of proceedings of the Cabinet of the Union Government or any Committee of the Cabinet ;

(b) as might involve the disclosure of proceedings of the Cabinet of the State Government or any Committee of that Cabinet,

and for the purpose of this sub-section, a certificate issued by the Secretary to the Government of India or the Secretary to the State Government, as the case may be, or, any authority so authorised by the Central or State Government certifying that any information, answer or portion of a document is of the nature specified in clause (a) or clause (b), shall be binding and conclusive.

(2) Subject to the provisions of sub-section (1), no person shall be compelled for the purposes of inquiry under this Act to give any evidence or produce any document which he could not be compelled to give or produce in proceedings before a court.

**9. *Superintendence of Competent Authority over appropriate machinery.***—(1) Every public authority shall, for the purposes of dealing or inquiry into the disclosures sent to it under sub-section (3) of section 5, create an appropriate machinery for the said purpose.

(2) The Competent Authority shall exercise superintendence over the working of machinery created under sub-section (1) for the purposes of dealing or inquiry into the disclosures and give such directions for its proper functioning, from time to time, as it may consider necessary.

**10. *Competent Authority to take assistance of police authorities, etc., in certain cases.***—For the purpose of making discreet inquiry or obtaining information from the organisation concerned, the Competent Authority shall be authorised to take assistance of the Delhi Special Police Establishment or the police authorities, or any other authority as may be considered necessary, to render all assistance to complete the inquiry within the prescribed time pursuant to the disclosure received by the Competent Authority.

## CHAPTER V

### PROTECTION TO THE PERSONS MAKING DISCLOSURE

**11. *Safeguards against victimisation.***—(1) The Central Government shall ensure that no person or a public servant who has made a disclosure under this Act is victimised by initiation of any proceedings or otherwise merely on the ground that such person or a public servant had made a disclosure or rendered assistance in inquiry under this Act.

(2) If any person is being victimised or likely to be victimised on the ground that he had filed a complaint or made disclosure or rendered assistance in inquiry under this Act, he may file an application before the Competent Authority seeking redress in the matter, and such authority shall take such action, as deemed fit and may give suitable directions to the concerned



public servant or the public authority, as the case may be, to protect such person from being victimised or avoid his victimisation :

Provided that the Competent Authority shall, before giving any such direction to the public authority or public servant, give an opportunity of hearing to the complainant and the public authority or public servant, as the case may be:

Provided further that in any such hearing, the burden of proof that the alleged action on the part of the public authority is not victimisation, shall lie on the public authority.

(3) Every direction given under sub-section (2) by the Competent Authority shall be binding upon the public servant or the public authority against whom the allegation of victimisation has been proved.

(4) Notwithstanding anything contained in any other law for the time being in force, the power to give directions under sub-section (2), in relation to a public servant, shall include the power to direct the restoration of the public servant making the disclosure, to the status *quo ante*.

(5) Any person who wilfully does not comply with the direction of the Competent Authority under sub-section (2), shall be liable to a penalty which may extend up to thirty thousand rupees.

**12. Protection of witnesses and other persons.**—If the Competent Authority either on the application of the complainant, or witnesses, or on the basis of information gathered, is of the opinion that either the complainant or public servant or the witnesses or any person rendering assistance for inquiry under this Act need protection, the Competent Authority shall issue appropriate directions to the concerned Government authorities (including police) which shall take necessary steps, through its agencies, to protect such complainant or public servant or persons concerned.

**13. Protection of identity of complainant.**—The Competent Authority shall, notwithstanding any law for the time being in force, conceal, as required under this Act, the identity of the complainant and the documents or information furnished by him, for the purposes of enquiry under this Act, unless so decided otherwise by the Competent Authority itself or it became necessary to reveal or produce the same by virtue of the order of the court.

**14. Power to pass interim orders.**—The Competent Authority, at any time after the making of disclosure by the complainant or public servant, if it is of the opinion that any corrupt practice required to be stopped during the continuation of any inquiry for the said purpose may pass such interim orders as it may deem fit, to prevent the immediate stoppage of such practice.

## CHAPTER VI

### OFFENCES AND PENALTIES

**15. Penalty for furnishing incomplete or incorrect or misleading comments or explanation or report.**—Where the Competent Authority, at the time of examining the report or explanations or report referred to in sub-section (3) of section 5 on the complaint submitted by organisation or official concerned, is of the opinion that the organisation or official concerned, without any reasonable cause, has not furnished the report within the specified time or *mala fide* refused to submit the report or knowingly given incomplete, incorrect or misleading or false report or destroyed record or information which was the subject of the disclosure or obstructed in any manner in furnishing the report, it shall impose—

(a) where the organisation or official concerned, without any reasonable cause, has not furnished the report within the specified time or *mala fide* refused to submit the report, a penalty which may extend to two hundred fifty rupees for each day till report is furnished, so, however, the total amount of such penalty shall not exceed fifty thousand rupees ;

(b) where the organisation or official concerned, has knowingly given incomplete, incorrect or misleading or false report or destroyed record or information which was the subject of the disclosure or obstructed in any manner the furnishing of the report, a penalty which may extend to fifty thousand rupees :

Provided that no penalty shall be imposed against any person unless he has been given an opportunity of being heard.

**16. Penalty for revealing identity of complainant.**—Any person, who negligently or *mala fide* reveals the identity of a complainant shall, without prejudice to the other provisions of this Act, be punishable with imprisonment for a term which may extend up to three years and also to fine which may extend up to fifty thousand rupees.

**17. Punishment for false or frivolous disclosure.**—Any person who makes any disclosure *mala fide* and knowingly that it was incorrect or false or misleading shall be punishable with imprisonment for a term which may extend up to two years and also to fine which may extend up to thirty thousand rupees.

**18. Punishment to Head of Department in certain cases.**—(1) Where an offence under this Act has been committed by any Department of Government, the Head of the Department shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly unless he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a Department of Government and it is proved that the offence has been committed with the consent or connivance of, or is attributable, such officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**19. Offences by companies.**—(1) Where an offence under this Act has been committed by a company, every person who at the time the offence was committed was in charge of, and was responsible to the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.*—For the purposes of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals ; and

(b) “director”, in relation to a firm, means a partner in the firm.

**20. Appeal to High Court.**—Any person aggrieved by any order of the Competent Authority relating to imposition of penalty under section 14 or section 15 or section 16 may prefer an appeal to the High Court within a period of sixty days from the date of the order appealed against :

Provided that the High Court may entertain the appeal after the expiry of the said period of sixty days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

*Explanation.*—For the purposes of this section, the “High Court” means the High Court within whose jurisdiction the cause of action arose.

**21. Bar of jurisdiction.**—No Civil Court shall have jurisdiction in respect of any matter which the Competent Authority is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

**22. Court to take cognizance.**—(1) No court shall take cognizance of any offence punishable under this Act or the rules or regulations made thereunder, save on a complaint made by the Competent Authority or any officer or person authorised by it.

(2) No court inferior to that of a Chief Metropolitan Magistrate or a Chief Judicial Magistrate shall try any offence punishable under this Act.

## CHAPTER VII

### MISCELLANEOUS

**23. Report on disclosures.**—(1) The Competent Authority shall prepare a consolidated annual report of the performance of its activities in such form as may be prescribed and forward it to the Central Government or State Government, as the case may be.

(2) On receipt of the annual report under sub-section (1), the Central Government or State Government, as the case may be, shall cause a copy thereof to be laid before each House of Parliament, or the State Legislature, as the case may be :

Provided that where any other law for the time being in force provides preparing of such annual report by the Competent Authority, then the said annual report shall contain a separate part on the performance of activities under this Act by the Competent Authority.

**24. Protection of action taken in good faith.**—No suit, prosecution or other legal proceedings shall lie against the Competent Authority or against any officer, employees, agency or person acting on its behalf, in respect of anything which is in good faith done or intended to be done under this Act.

**25. Power of Central Government to make rules.**—(1) The Central Government may, by notification in the *Official Gazette*, make rules for the purpose of carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(a) the procedure for disclosure by writing or appropriate electronic means under sub-section (4) of section 4 ;

(b) the manner in which and the time within which the discreet inquiry shall be made by the Competent Authority under sub-section (2) of section 5 ;

(c) the additional matter in respect of which the Competent Authority may exercise the powers of a Civil Court under clause (f) of sub-section (2) of section 7 ;

(d) the form of annual report under sub-section (1) of section 23 ;

(e) any other matter which is required to be, or may be, prescribed.

**26. Power of State government to make rules.**—The State Government may, by notification in the *Official Gazette*, make rules for the purpose of carrying out the provisions of this Act.

**27. Power to make regulations.**—The Competent Authority may, with the previous approval of the Central Government or the State Government, as the case may be, by notification in the *Official Gazette*, make regulations not inconsistent with the provisions of the Act and the rules made thereunder to provide for all matters for which provision is expedient for the purposes of giving effect to the provisions of this Act.

**28. Notification and rules to be laid before Parliament.**—Every notification issued and every rule made by the Central Government and every regulation made by the Competent Authority under this Act shall be laid, as soon as may be after it is issued or made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or the rule or the regulation, or both Houses agree that the notification or the rule or the regulation should not be made, the notification or the rule or the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification or rule or regulation.

**29.** *Notification issued and rules made by State government to be laid before State Legislature.*—Every notification issued by a State Government and every rule made by a State Government and every regulation made by the Competent Authority under this Act shall be laid, as soon as may be after it is issued, before the State Legislature.

**30.** *Power to remove difficulties.*—(1) If any difficulty arises in giving effect to the provisions of the Act, the Central Government may, by order, not inconsistent with the provisions of this Act, remove the difficulty :

Provided that no such order shall be made after the expiry of a period of three years from the date of the commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

**31.** *Repeal and savings.*—(1) The Government of India, Ministry of Personnel, Public Grievances and Pensions (Department of Personnel and Training) Resolution No. 371/12/2002-AVD-III dated the 21st April 2004 as amended *vide* Resolution of even number, dated the 29th April 2004 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Resolution be deemed to have been done or taken under this Act.

P. K. MALHOTRA,  
Secretary to the Government of India.

## MINISTRY OF LAW AND JUSTICE

(LEGISLATIVE DEPARTMENT)

*New Delhi, the 18th July 2014/Asadha 27, 1936 (Saka)*

The following Act of Parliament received the assent of the president on the 17th July 2014, and is hereby published for general information :—

### THE NATIONAL INSTITUTE OF DESIGN ACT, 2014

(No. 18 of 2014)

[17th July 2014.]

AN ACT to declare the institution known as the National Institute of Design, Ahmedabad, to be an institution of national importance for the promotion of quality and excellence in education, research and training in all disciplines relating to Design and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows :—

#### CHAPTER I

##### PRELIMINARY

1. *Short title and commencement.*—(1) This Act may be called the National Institute of Design Act, 2014.

(2) It shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint and different dates may be appointed for different provisions of this Act.

2. *Declaration of National Institute of Design, Ahmedabad, as an institution of national importance.*—Whereas the objects of the institution known as the National Institute of Design, Ahmedabad, are such as to make it the institution of national importance, it is hereby declared that the National Institute of Design, Ahmedabad is an institution of national importance.

3. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) “Chairperson” means the Chairperson of the Governing Council nominated under clause (a) of section 11 ;

(b) “Dean”, in relation to any Institute campus, means the Dean of such Institute campus ;

(c) “design” means a rational, logical and sequential innovative process for the purpose of transferring culture to viable products and services and for providing a competitive edge to products and services, and includes industrial design, communication design, textile and apparel design, lifestyle design, experiential design, exhibition design, craft and traditional sector design ;

(d) “Director” means Director of the Institute, as appointed under section 18 ;

(e) “Fund” means the Fund of the Institute maintained under section 23 ;

(f) “Governing Council” means the Governing Council of the Institute, as constituted under section 11 ;

(g) “Institute” means the National Institute of Design, Ahmedabad, incorporated under section 4 ;

(h) “Institute campus” means the campus of the Institute located at Bengalum in the State of Karnataka and Gandhinagar in the State of Gujarat, or such other campus as may be established by the Institute at any place within India or outside India ;

(i) “notification” means a notification published in the *Official Gazette* ;

(j) “prescribed” means prescribed by rules made under this Act ;

(k) “Registrar” means Registrar of the Institute ;

(l) "Senate" means the Senate of the Institute ;

(m) "Society" means the National Institute of Design, Ahmedabad, registered as a society under the Societies Registration Act, 1860 (21 of 1860) ;

(n) "Statutes" and "Ordinances" mean the Statutes and the Ordinances of the Institute made under this Act.

## CHAPTER II

### THE INSTITUTE

4. *Incorporation of the Institute.*—(1) The National Institute of Design, Ahmedabad, shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract, and shall, by that name, sue or be sued.

(2) The body corporate constituting the Institute shall consist of a Chairperson, a Director and other members of the Governing Council for the time being of the Institute.

(3) The headquarters of the Institute shall be in the district of Ahmedabad in the State of Gujarat.

(4) The Institute may establish an Institute campus at such other place within India or outside India, as it may deem fit :

Provided that each campus of the National Institute of Design, Ahmedabad, established before the commencement of this Act, at Bengaluru in the State of Karnataka and Gandhinagar in the State of Gujarat, shall be deemed to be the Institute campus.

5. *Effect of incorporation of the Institute.*—On and from the date of commencement of this Act,—

(a) any reference to the Society in any law (other than this Act) or in any contract or other instalment shall be deemed as a reference to the Institute incorporated under this Act ;

(b) all property, movable and immovable of, or belonging to, the Society, shall vest in the Institute ;

(c) all the rights and liabilities of the Society shall be transferred to, and be, the rights and liabilities of, the Institute ;

(d) any reference to any campus of the Institute, established before the commencement of this Act, shall be deemed as a reference to that Institute campus ;

(e) every person employed by the Society, immediately before such commencement, shall hold his office or service in the Institute including the Institute campuses, located at Bengaluru in the State of Karnataka and at Gandhinagar in the State of Gujarat, by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension, leave, gratuity, provident fund and other matters as he would have held the same, if this Act had not been enacted, and shall continue to be so, unless and until his employment is terminated or until such tenure, remuneration, terms and conditions are duly altered by the Statutes :

Provided that if the alteration so made is not acceptable to such employee, his employment may be terminated by the Institute in accordance with the terms of the contract with the employee or, if no provision is made therein in this behalf, on payment to him by the Institute of compensation equivalent to three months' remuneration in the case of permanent employee and one month's remuneration in the case of other employee.

6. *Powers of Institute.*—(1) Subject to the provisions of this Act, the Institute shall exercise the following powers and perform the following duties, namely :—

(a) to provide for instructions, research and training in the areas or disciplines relating to design and to nurture and promote quality and excellence thereof in such areas or disciplines ;

- (b) to develop courses leading to graduate and post-graduate degrees, doctoral and post-doctoral distinctions and research in all areas or disciplines relating to design ;
- (c) to hold examinations and grant degrees, and diplomas and other academic distinctions or titles in the areas or disciplines relating to design ;
- (d) to confer honorary degrees, awards or other distinctions in the areas or disciplines relating to design ;
- (e) to institute and award fellowships, scholarships, exhibitions, prizes and medals ;
- (f) to fix, demand and receive fees and other charges ;
- (g) to establish, maintain and manage halls and hostels for the residence of the students ;
- (h) to supervise and control the residence and regulate the discipline of students of the Institute and to make arrangements for promoting their health, general welfare and cultural and corporate life ;
- (i) to institute academic and other posts and to make appointments thereto (except in the case of the Director) ;
- (j) to frame Statutes and Ordinances and to alter, modify or rescind the same ;
- (k) to co-operate with educational or other institutions in any part of the world having objects wholly or partly similar to those of the Institute by exchange of faculty members and scholars and generally in such manner as may be conducive to their common objective ;
- (l) to act as a nucleus for interaction between academia and industry by encouraging exchange of designers and other technical staff between the Institute and the industry and by undertaking sponsored and funded research as well as consultancy projects by the Institute ;
- (m) to establish, equip and maintain workshops or laboratories or studios with modern machinery and equipments in order to undertake scientific and technological research for creating good designs for the production of goods and services and to provide funds for such works and for payment to any person or persons engaged in service, training and research work whether in such workshop or laboratory or studio ;
- (n) to acquire any patent or licence relating to such invention, improvement or design or standardisation marks whether for general or specific purposes ;
- (o) to undertake consultancy in the areas or disciplines relating to design ;
- (p) to deal with any property belonging to, or vested in, the Institute, in such manner as the Institute may deem fit for advancing the objects of the Institute ;
- (q) to receive gifts, grants, donations or benefactions from the Government and to receive bequests, donations and transfers of movable or immovable properties from testators, donors or transferors, as the case may be ;
- (r) to encourage and improve education of persons who are engaged or are likely to be engaged in the service, training or research activities by grant of loans, scholarships or other monetary assistance or otherwise ;
- (s) to prepare, print, publish, issue, acquire and circulate books, papers, periodicals, exhibits, films, slides, gadgets, circulars and other literary undertakings, dealing with or having a bearing upon the subject of industrial design and allied fields ;
- (t) to establish, form and maintain museums, libraries and collections of literature and films, slides, photographs, prototypes and other information relating to design and allied subjects ;
- (u) to nominate designers, engineers (mechanical or electrical or civil), architects, craftsmen, technicians or investigators to study in India or outside India in regard to the service, training and research in such fields as the Institute may think fit ;
- (v) to retain or employ skilled professional, technical advisers, consultants, workers or craftsmen in connection with the objects of the Institute ;

(w) to encourage artisans, technicians and others with inventive skill to work out details and specifications of processes, appliances and gadgets by giving awards, financial or technical assistance ;

(x) to construct buildings and alter, extend, improve, repair, enlarge or modify and to provide and equip the same with light, water, drainage, furniture, fittings and all other accessories ;

(y) to borrow and raise moneys, with or without security or on the security of a mortgage, charge, or hypothecation or pledge of any of the movable or immovable properties belonging to the Institute or in any other manner ;

(z) to do all such things as may be necessary, incidental or conducive to the attainment of all or any of the objects of the Institute.

(2) Notwithstanding anything contained in sub-section (1), the Institute shall not dispose of in any manner any immovable property without the prior approval of the Visitor.

**7. Institute be open to all races, creeds and classes.**—(1) The Institute shall be open to persons of either sex and of whatever race, creed, caste or class, and no test or condition shall be imposed as to religious belief or profession in admitting or appointing members, students, teachers or workers or in any other connection whatsoever.

(2) No bequest, donation or transfer of any property shall be accepted by the Institute, which in the opinion of the Governing Council involves conditions or obligations opposed to the spirit and objects of the Institute.

**8. Teaching at Institute.**—All teaching at the Institute and the Institute campuses shall be conducted by or in the name of the Institute in accordance with the Statutes and the Ordinances made in this behalf.

**9. Visitor.**—(1) The President of India shall be the Visitor of the Institute.

(2) The Visitor may appoint one or more persons to review the work and progress of the Institute or any Institute campus and to hold inquiries into the affairs thereof and to report thereon in such manner as the Visitor may direct.

(3) Upon receipt of any such report, the Visitor may take such action and issue such directions as he considers necessary in respect of any of the matters dealt with in the report and the Institute shall be bound to comply with such directions.

**10. Authorities of Institute.**—The following shall be the authorities of the Institute, namely :—

- (a) the Governing Council,
- (b) a Senate, and
- (c) such other authorities as may be declared by the Statutes to be the authorities of the Institute.

**11. Governing Council.**—The Governing Council shall consist of the following members, namely :—

- (a) a Chairperson, who shall be an eminent academician, scientist or technologist or professional or industrialist, to be nominated by the Visitor ;
- (b) the Director, *ex officio* ;
- (c) the Financial Adviser in the Ministry or Department of the Government of India dealing with the National Institute of Design, *ex officio* ;
- (d) the Joint Secretary, in the Ministry or Department in the Government of India dealing with the National Institute of Design, *ex officio* ;
- (e) one representative of the Ministry or Department of the Government of India not below the rank of Joint Secretary dealing with Higher Education, to be nominated by the Secretary of that Ministry or Department, *ex officio* ;



(f) one representative of the Ministry or Department of the Government of India not below the rank of Joint Secretary dealing with Information Technology to be nominated by the Secretary of that Ministry or Department, *ex officio* ;

(g) one representative from the State in which the Institute campus is located, to be nominated by that State Government ;

(h) five professionals, one each from the fields of architecture, engineering, fine arts, mass media and technology, to be nominated by the Central Government ;

(i) an outstanding Designer, to be nominated by the Visitor in consultation with the Central Government ;

(j) a management expert, to be nominated by the Chairperson ;

(k) a representative of the Micro, Small and Medium Enterprises, to be nominated by the Central Government ;

(l) three persons to be nominated by the Senate from amongst persons recommended by companies, firms or individuals who have provided financial assistance or contribution to the Institute :

Provided that the threshold of financial assistance or contribution and other requirements to qualify for such nomination shall be such as may be provided for in the Statutes ; and

(m) Dean of each Institute campus, *ex officio*.

**12. Term of office of vacancies among and allowances payable to chairperson and other members of Governing Council.**—(1) The term of office of the Chairperson or any other member of the Governing Council (other than an *ex officio* member) shall be three years from the date of his nomination.

(2) Save as otherwise provided in this section, the term of office of an *ex officio* member shall continue so long as he holds the office by virtue of which he is a member.

(3) The term of office of a member of the Governing Council nominated to fill a casual vacancy shall continue for the remainder of the term of the member in whose place he has been nominated.

(4) Notwithstanding anything contained in this section, an outgoing member shall, unless the Governing Council otherwise directs, continue in office until another person is nominated as a member in his place.

(5) The members of the Governing Council shall be entitled to such allowances, if any, from the Institute as may be provided for in the Statutes but no member other than the persons referred to in clauses (b) and (m) of section 11 shall be entitled to any salary by reason of this sub-section.

**13. Meeting of governing Council.**—The Governing Council shall meet at least four times in a year at such place and time and observe such rules of procedure in regard to the transaction of business at its meetings, as may be determined by the Governing Council.

**14. Powers and functions of governing Council.**—(1) Subject to the provisions of this Act, the Governing Council shall be responsible for the general superintendence, direction and control of the affairs of the Institute and shall exercise all the powers of the Institute not otherwise provided for by this Act, the Statutes and the Ordinances, and shall have the power to review the acts of the Senate.

(2) Without prejudice to the provisions of sub-section (1), the Governing Council shall—

(a) take decisions on questions of policy relating to the administration and working of the Institute ;

(b) take decision on the establishment of new Institute campus at any place in India or outside India ;

(c) institute courses of study at the Institute ;

(d) institute academic and other posts and to make appointments thereto ;

(e) make Statutes ;

(f) consider and modify or cancel Ordinances ;

(g) consider and pass resolutions on the annual report, the annual accounts and the budget estimates of the Institute including each of the Institute campuses for the next financial year, as it thinks fit and submit them to the Central Government together with a statement of its development plans ; and

(h) exercise such other powers and perform such other duties as may be conferred or imposed upon it by this Act or the Statutes.

(3) The Governing Council shall have power to appoint such committees as it considers necessary for the exercise of its powers and the performance of its duties under this Act.

(4) The Governing Council shall have the power to enter into arrangements with the Central Government, State Governments and other public or private organisations or individuals in India or outside India for securing and accepting endowments, grants, donations or gifts to the Institute on mutually agreed terms and conditions :

Provided that the conditions of such grant, donation or gift, if any, shall not be inconsistent or in conflict with the nature or objects of the Institute and the provisions of this Act.

(5) The Governing Council shall have the power to take over and acquire by purchase, gift or otherwise from Government and other public bodies or private individuals willing to transfer movable and immovable properties, endowments or other funds together with any attendant obligations and engagements not inconsistent with the provisions of this Act.

(6) The Governing Council may by specific resolution to this effect delegate to the Chairperson such of its powers for the conduct of business, as it may deem necessary.

**15. Senate.**—The Senate of the Institute shall consist of the following persons, namely :—

(a) the Director, *ex officio*, who shall be the Chairman of the Senate ;

(b) Dean of each Institute campus, *ex officio* ;

(c) Senior Professors of the Institute and of the Institute campuses ;

(d) three persons, not being employees of the Institute, to be nominated by the Chairperson in consultation with the Director, from amongst educationists of repute, one each from the fields of science, engineering and humanities and at least one of them shall be a woman ;

(e) one alumnus of the Institute to be nominated by the Chairperson in consultation with the Director ; and

(f) such other members of the staff as may be laid down in the Statutes.

**16. Functions of Senate.**—Subject to the provisions of this Act, the Statutes and the Ordinances, the Senate of the Institute shall have the control and general regulation, and be responsible for the maintenance of standards of instruction, education and examination in the Institute and shall exercise such other powers and perform such other duties as may be conferred or imposed upon it by the Statutes.

**17. Functions, powers and duties of Chairperson.**—(1) The Chairperson shall ordinarily preside at the meetings of the Governing Council and at the convocations of the Institute.

(2) It shall be the duty of the Chairperson to ensure that the decisions taken by the Governing Council are implemented.

(3) The Chairperson shall exercise such other powers and perform such other duties as may be assigned to him by this Act or the Statutes.

**18. Director.**—(1) The Director of the Institute shall be appointed by the Central Government for a tenure of five years in such manner and on such terms and conditions of service as may be prescribed.

(2) The Director shall be appointed on the recommendations of the Selection Committee constituted by the Central Government.

(3) The Director shall be the principal executive officer of the Institute and shall be responsible for—

(a) proper administration of the Institute and for imparting of instructions and maintenance of discipline therein ;

(b) co-ordination of activities of all the Institute campuses ;

(c) examining the development plans of the Institute and each Institute campus and to approve such of them as are considered necessary and also to indicate broadly the financial implications of such approved plans ; and

(d) examining the annual budget estimates of the Institute and each Institute campus and to recommend to the Central Government the allocation of funds for that purpose.

(4) The Director shall exercise such other powers and perform such other duties as may be assigned to him by this Act, Statutes and Ordinances.

(5) The Director shall submit annual reports and accounts to the Governing Council.

(6) The Central Government shall have the power to remove the Director before expiry of his tenure, if it considers it appropriate to do so.

**19. Dean.**—(1) The Dean of each Institute campus shall be appointed on such terms and conditions as may be laid down by the Statutes and shall exercise such powers and perform such duties as may be assigned to him by this Act or the Statutes or by the Director.

(2) Without prejudice to the provisions of sub-section (1), the Dean of each Institute campus shall look after all academic, administrative, research and other activities of the Institute campus in consultation with the Director.

**20. Registrar.**—(1) The Registrar of the Institute shall be appointed on such terms and conditions as may be laid down by the Statutes and shall be the custodian of records, the common seal, the funds of the Institute and such other property of the Institute as the Governing Council shall commit to his charge.

(2) The Registrar shall act as the Secretary of the Governing Council, the Senate and such committees as may be prescribed by the Statutes.

(3) The Registrar shall be responsible to the Director for the proper discharge of his functions.

(4) The Registrar shall exercise such other powers and perform such other duties as may be assigned to him by this Act or the Statutes or by the Director.

**21. Powers and duties of other authorities and officers.**—The powers and duties of authorities and officers, other than those hereinbefore mentioned, shall be determined by the Statutes.

**22. Grants by Central Government.**—For the purpose of enabling the Institute to discharge its functions efficiently under this Act, the Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Institute in each financial year such sums of money and in such manner as it may think fit.

**23. Fund of Institute.**—(1) The Institute shall maintain a Fund to which shall be credited—

(a) all moneys provided by the Central Government ;

(b) all fees and other charges received by the Institute ;

(c) all moneys received by the Institute by way of grants, gifts, donations, benefactions, bequests or transfers ; and

(d) all moneys received by the Institute in any other manner or from any other source.

(2) All moneys credited to the Fund shall be deposited in such banks or invested in such manner as the Institute may, with the approval of the Central Government, decide.

(3) The Fund shall be applied towards meeting the expenses of the Institute including expenses incurred in the exercise of its powers and discharge of its duties under this Act.

**24. Setting up of Endowment Fund.**—Notwithstanding anything contained in section 23, the Central Government may direct the Institute to—

- (a) set up an Endowment Fund and any other Fund for specified purpose ; and
- (b) transfer money from its Fund to Endowment Fund or any other Fund.

**25. Accounts and audit.**—(1) The Institute shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balancesheet, in such form as may be prescribed, in accordance with such general directions as may be issued by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Institute shall be audited by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Institute to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Institute shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India, generally has in connection with the audit of the Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Institute.

(4) The accounts of the Institute as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

**26. Pension and provident fund.**—(1) The Institute shall constitute, for the benefit of its employees, including the Director, such pension, insurance and provident funds as it may deem fit, in such manner and subject to such conditions as may be laid down in the Statutes.

(2) Where any provident fund has been constituted under sub-section (1), the Central Government may declare that the provisions of the Provident Funds Act, 1925 (19 of 1925) shall apply to such fund as if it were a Government provident fund.

**27. Appointment of staff.**—All appointments of the staff of the Institute, except that of the Director, shall be made in accordance with the procedure laid down in the Statutes by—

- (a) the Governing Council, if the appointment is made on the academic staff in the post of Senior Designer or Professor or above or if the appointment is made on the non-academic staff in any cadre, the maximum of the pay-scale for which is the same or higher than that of Senior Designer or Professor ; and
- (b) the Director, in any other case.

**28. Statutes.**—Subject to the provisions of this Act, the Statutes may provide for all or any of the following matters, namely :—

- (a) conferment of honorary degrees ;
- (b) formation of departments of teaching, establishment of workshops, laboratories and studios ;
- (c) fees to be charged for courses of study in the Institute including Institute campus and for admission to the examinations of degrees, diplomas and certificates of the Institute ;
- (d) Institution of fellowships, scholarships, exhibitions, medals and prizes ;
- (e) qualifications of teachers of the Institute ;
- (f) classification, method of appointment and the determination of the terms and conditions of service of officers, teachers and other staff of the Institute ;
- (g) reservation of posts for the Scheduled Castes, the Scheduled Tribes and Other Backward Classes of persons as may be determined by the Central Government ;
- (h) constitution of pension, insurance and provident funds for the benefit of the officers, teachers and other staff of the Institute ;
- (i) constitution, powers and duties of the authorities of the Institute and Institute campuses ;
- (j) establishment and maintenance of halls and hostels ;

- (k) conditions of residence of students of the Institute and the levying of the fees for residence in the halls and hostels and other charges ;
- (l) manner of filling up of vacancies among members of the Governing Council ;
- (m) allowances to be paid to the Chairperson and members of the Governing Council ;
- (n) authentication of the orders and decisions of the Governing Council ;
- (o) meetings of the Governing Council, Senate, or any Committee, the quorum at such meetings and the procedure to be followed in the conduct of their business ;
- (p) any other matter which by this Act is to be or may be prescribed by the Statutes.

**29. Statutes how to be made.**—(1) The first Statutes of the Institute shall be framed by the Governing Council with the previous approval of the Visitor and a copy of the same shall be laid as soon as may be before each House of Parliament.

(2) The Governing Council may, from time to time, make new or additional Statutes or may amend or repeal the Statutes in the manner hereinafter in this section provided.

(3) Every new Statute or addition to the Statutes or any amendment or repeal of a Statute shall require the previous approval of the Visitor who may assent thereto or withhold assent therefrom or remit it to the Governing Council for reconsideration.

(4) A new Statute or a Statute amending or repealing an existing Statute shall have no validity unless it has been assented to by the Visitor.

**30. Ordinances.**—Subject to the provisions of this Act and the Statutes, the Ordinances of the Institute may provide for all or any of the following matters, namely :—

- (a) admission of the students to the Institute including Institute campus ;
- (b) reservation in admission to various courses or programmes of the Institute for the Scheduled Castes, the Scheduled Tribes and Other Backward Classes ;
- (c) courses of study to be laid down for all degrees, diplomas and certificates of the Institute ;
- (d) conditions under which students shall be admitted to the degree, diploma and certificate courses and to the examinations of the Institute and award of degrees, diplomas and certificates ;
- (e) conditions for award of fellowships, scholarships, exhibitions, medals and prizes ;
- (f) conditions and mode of appointment and duties of examining body, examiners and moderators ;
- (g) conduct of examinations ;
- (h) maintenance of discipline among the students of the Institute ; and
- (i) any other matter which by this Act or the Statutes is to be or may be provided for by the Ordinances.

**31. Ordinances how to be made.**—(1) Save as otherwise provided in this section, Ordinances shall be made by the Senate.

(2) All Ordinances made by the Senate shall have effect from such date as it may direct, but every Ordinance so made shall be submitted, as soon as may be, to the Governing Council and shall be considered by the Governing Council at its next meeting.

(3) The Governing Council shall have power by resolution to modify or cancel any such Ordinance and such Ordinance shall from the date of such resolution stand modified accordingly or cancelled, as the case may be.

**32. Arbitral Tribunal.**—(1) Any dispute arising out of a contract between the Institute and any of its employees shall, at the request of the employee concerned or at the instance of the Institute, be referred to an Arbitral Tribunal consisting of one member appointed by the Institute, one member nominated by the employee and an umpire appointed by the Visitor.

(2) The decision of the Arbitral Tribunal shall be final and shall not be questioned in any court.

(3) No suit or proceeding shall lie in any court in respect of any matter which is required by sub-section (1) to be referred to the Arbitral Tribunal.

(4) The Arbitral Tribunal shall have power to regulate its own procedure.

(5) Nothing in any law for the time being in force relating to arbitration shall apply to arbitration under this section.

### CHAPTER III

#### MISCELLANEOUS

**33. Acts and proceedings not to be invalidated by vacancies, etc.**—No act of the Institute or Governing Council or Senate or any other authority, set up under this Act or the Statutes, shall be invalid merely by reason of—

- (a) any vacancy in, or defect in the constitution thereof; or
- (b) any defect in the election, nomination or appointment of a person acting as a member thereof; or
- (c) any irregularity in its procedure not affecting the merits of the case.

**34. Sponsored schemes.**—Notwithstanding anything contained in this Act, whenever the Institute receives funds from any Government, the University Grants Commission or any other agency including industry sponsoring a research scheme or a consultancy assignment or a teaching programme or a Chaired Professorship or a scholarship, etc., to be executed or endowed at the Institute,—

- (a) the amount received shall be kept by the Institute separately from the Fund of the Institute and utilised only for that purpose; and
- (b) the staff required to execute the same shall be recruited in accordance with the terms and conditions stipulated by the sponsoring organisations:

Provided that any money remaining unutilised shall be transferred to the Endowment Fund set up under section 24 of this Act.

**35. Power of Institute to grant degrees, etc.**—The Institute shall have the power to grant degrees, diplomas, certificates and other academic distinctions under this Act, which shall be equivalent to such corresponding degrees, diplomas, certificates and other academic distinctions granted by any University or Institute established or incorporated under any other law for the time being in force.

**36. Powers of Central Government to issue directions.**—The Central Government may give such directions as it may deem necessary to the Institute for effective administration of this Act and the Institute shall comply with such directions.

**37. Institute to be public authority under Right to Information Act, 2005.**—The provisions of the Right to Information Act, 2005 shall apply to the Institute, as if it were a public authority as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).

**38. Power of Central Government to make rules.**—(1) The Central Government may, by notification, make rules to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the manner of appointment of the Director and terms and conditions of his service under sub-section (1) of section 18;
- (b) the form and the manner in which the books of account of the Institute shall be maintained under sub-section (1) of section 25;
- (c) any other matter which is required to be, or may be, prescribed.

(3) Every rule made by the Central Government shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session, immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule

should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**39. Transitional provisions.**—Notwithstanding anything contained in this Act—

(a) the Governing Council of the Institute functioning as such, immediately before the commencement of this Act, shall continue to so function until a new Governing Council is constituted for the Institute under this Act, but on the constitution of a new Governing Council under this Act, the members of the Governing Council holding office before such constitution shall cease to hold office ;

(b) the Policy and Planning Committee of the Society, functioning as such before the commencement of this Act, shall be deemed to be the Senate constituted under this Act and continue to so function until a new Senate is constituted for the Institute under this Act ;

(c) until the first Statutes and Ordinances are made under this Act, the rules and regulations, instructions, guidelines and bye-laws of the Society, in force immediately before the commencement of this Act, shall continue to apply to the Institute and Institute campuses located at Bengaluru or Gandhinagar, as the case may be, in so far as they are not inconsistent with the provisions of this Act.

**40. Statutes and Ordinances to be published in the Official Gazette and to be laid before Parliament.**—(1) Every Statute or Ordinance made under this Act shall be published in the *Official Gazette*.

(2) Every Statute or Ordinance made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the Statute or Ordinance or both Houses agree that the Statute or Ordinance should not be made, the Statute or Ordinance shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that Statute or Ordinance.

(3) The power to make Statutes or Ordinances shall include the power to give retrospective effect from a date not earlier than the date of commencement of this Act to Statutes or Ordinances or any of them but no retrospective effect shall be given to any Statute or Ordinance so as to prejudicially affect the interests of any person to whom such Statutes or Ordinances may be applicable.

**41. Power to remove difficulties.**—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the *Official Gazette*, make such provisions or give such directions not inconsistent with the purposes of this Act, as appears to it to be necessary or expedient for removing the difficulty :

Provided that no such order shall be made after the expiry of two years from the appointed day.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

P. K. MALHOTRA,  
Secretary to the Government of India.

**MINISTRY OF LAW AND JUSTICE**

(LEGISLATIVE DEPARTMENT)

*New Delhi, the 18th July 2014/Asadha 27, 1936 (Saka)*

The following Act of Parliament received the assent of the president on the 17th July 2014 and is hereby published for general information :—

**THE ANDHRA PRADESH REORGANISATION (AMENDMENT) ACT, 2014****(No. 19 of 2014)***[17th July 2014.]*

AN ACT to amend the Andhra Pradesh Reorganisation Act, 2014.

BE it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows :—

**1. Short title and commencement.**—(1) This Act may be called the Andhra Pradesh Reorganisation (Amendment) Act, 2014.

(2) It shall be deemed to have come into force on the 29th day of May 2014.

**2. Amendment of section 3.**—In the Andhra Pradesh Reorganisation Act, 2014 (6 of 2014), in section 3, for the words, brackets, letters and figures “Khammain [but excluding the revenue villages in the Mandals specified in G.O.Ms.No. 111 Irrigation and CAD (LAIVR and R-I) Department, dated the 27th June, 2005 and the revenue villages of Bhurgampadu, Seetharamanagaram and Kondreka in Bhurgumpadu Mandal]”, the words and brackets “Khammam (but excluding the Mandals of Kukunoor, Velairpadu and Bhurgampadu but not including its revenue villages of Pinapaka, Morampalli Bazar, Bhurgampad, Nagineniprolu, Krishnasagar, Tekula, Sarapaka, Iravendi, Mothepattinagar, Uppusaka, Sompalli and Nakripeta under the Palvantha Revenue Division, and the Mandals of Chintoor, Kunavaram, Vararamachandrapuram and Bhadrachalam but not including the revenue village of Bhadrachalam under the Bhadrachalam Revenue Division)” shall be substituted.

**3. Repeal and saving.**—(1) The Andhra Pradesh Reorganisation (Amendment) Ordinance, 2014 (6 Ord. 4 of 2014) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Andhra Pradesh Reorganisation Act, 2014 (6 of 2014), as amended by the said Ordinance, shall be deemed to have been done or taken under the provisions of that Act, as amended by this Act.

P. K. MALHOTRA,

Secretary to the Government of India.



**MINISTRY OF LAW AND JUSTICE**

(LEGISLATIVE DEPARTMENT)

*New Delhi, the 18th July 2014/Asadha 27, 1936 (Saka)*

The following Act of Parliament received the assent of the president on the 17th July 2014 and is hereby published for general information :—

**THE TELECOM REGULATORY AUTHORITY OF INDIA (AMENDMENT) ACT, 2014**

**(No. 20 of 2014)**

*[17th July 2014.]*

AN ACT further to amend the Telecom Regulatory Authority of India Act, 1997.

BE it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows :—

**1. Short title and commencement.**—(1) This Act may be called the Telecom Regulatory Authority of India (Amendment) Act, 2014.

(2) It shall be deemed to have come into force on the 28th day of May 2014.

**2. Amendment of section 5.**—In the Telecom Regulatory Authority of India Act, 1997 (4 of 1997) (hereinafter referred to as the principal Act), in section 5,—

(i) for sub-section (8), the following sub-section shall be substituted, namely :—

“(8) The Chairperson and the whole-time members shall not, for a period of two years from the date on which they cease to hold office as such, except with the previous approval of the Central Government, accept—

(a) any employment either under the Central Government or under any State Government ; or

(b) any appointment in any company in the business of telecommunication services.”;

(ii) the *Explanation* at the end shall be omitted.

**3. Repeal and saving.**—(1) The Telecom Regulatory Authority of India (Amendment) Ordinance, 2014 (Ord. 3 of 2014), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.

P. K. MALHOTRA,

Secretary to the Government of India.

**MINISTRY OF LAW AND JUSTICE**

(LEGISLATIVE DEPARTMENT)

*New Delhi, the 6th August 2014/Sravana 15, 1936 (Saka)*

The following Act of Parliament received the assent of the president on the 6th August 2014 and is hereby published for general information :—

THE FINANCE (No. 2) ACT, 2014

(No. 25 of 2014)

[6th August 2014.]

An Act to give effect to the financial proposals of the Central Government for the financial year 2014-2015.

BE it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows :—

**CHAPTER I****PRELIMINARY**

1. *Short title and commencement.*—(1) This Act may be called the Finance (No. 2) Act, 2014.

(2) Save as otherwise provided in this Act, sections 2 to 77 shall be deemed to have come into force on the 1st day of April 2014.

**CHAPTER II****RATES OF INCOME-TAX**

2. *Income-tax.*—(1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April 2014, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in each case in the manner provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds two lakh rupees, then,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first two lakh rupees of the total income but without being liable to tax), only for the purpose of charging income-tax in respect of the total income ; and

(b) the income-tax chargeable shall be calculated as follows :—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income ;

(ii) the net agricultural income shall be increased by a sum of two lakh rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income as so increased were the total income ;

(iii) the amount of income-tax determined in accordance with sub-clause (ii) shall be reduced by the amount of income-tax determined in accordance with sub-clause (i) and the sum so arrived at shall be the income-tax in respect of the total income :

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (IT) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh rupees”, the words “two lakh fifty thousand rupees” had been substituted :

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in

item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh rupees”, the words “five lakh rupees” had been substituted.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be :

Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act, shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part I of the First Schedule :

Provided further that in respect of any income chargeable to tax under section 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB or 115JC of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm or local authority, at the rate of ten per cent, of such income-tax, where the total income exceeds one crore rupees ;

(b) in the case of every domestic company,—

(i) at the rate of five per cent, of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees ;

(ii) at the rate of ten per cent, of such income-tax, where the total income exceeds ten crore rupees ;

(c) in the case of every company, other than a domestic company,—

(i) at the rate of two per cent, of such income-tax, where the total income exceeds one crore rupees but does not exceed ten crore rupees ;

(ii) at the rate of five per cent, of such income-tax, where the total income exceeds ten crore rupees :

Provided also that in the case of persons mentioned in (a) above, having total income chargeable to tax under section 115JC of the Income-tax Act and such income exceeds one crore rupees, the total amount payable as income-tax on such income and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees :

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees :

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as income-tax on such income and surcharge thereon, shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(4) In cases in which tax has to be charged and paid under section 115-0 or section 115QA or sub-section (2) of section 115R or section 115TA of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those sections and shall be increased by a surcharge, for purposes of the Union, calculated at the rate of ten per cent, of such tax.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, at the rates in force, the deductions shall be made at the rates specified in Part II of the First Schedule and shall be increased by a surcharge, for purposes of the Union, calculated in cases wherever prescribed, in the manner provided therein.

(6) In cases in which tax has to be deducted under sections 194C, 194DA, 194E, 194EE, 194F, 194G, 194H, 194-I, 194-IA, 194J, 194LA, 194LB, 194LBA, 194LC, 194LD, 196B, 196C and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm, being a non-resident, calculated at the rate of ten per cent, of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees ;

(b) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent, of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees ;

(ii) at the rate of five per cent, of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

(7) In cases in which tax has to be collected under the proviso to section 194B of the Income-tax Act, the collection shall be made at the rates specified in Part II of the First Schedule, and shall be increased by a surcharge, for purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

(8) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge, for purposes of the Union,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (3 J) of section 2 of the Income-tax Act, or co-operative society or firm, being a non-resident, calculated at the rate of ten per cent. of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees ;

(b) in the case of every company, other than a domestic company, calculated,—

(i) at the rate of two per cent, of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees but does not exceed ten crore rupees ;

(ii) at the rate of five per cent, of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds ten crore rupees.

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from, or paid on, income chargeable under the head “Salaries” under section 192 of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” shall be so charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in such cases and in such manner as provided therein :

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or section 115JC or Chapter XII-FA or sub-section (1A) of section 161 or section 164 or

section 164A or section 167B of the Income-tax Act apply, "advance tax" shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be :

Provided further that the amount of "advance tax" computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be, of Part III of the First Schedule :

Provided also that in respect of any income chargeable to tax under sections 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115BBD, 115BBE, 115E, 115JB and 115JC of the Income-tax Act, "advance tax" computed under the first proviso shall be increased by a surcharge, for purposes of the Union, calculated,—

(a) in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, or co-operative society or firm or local authority, calculated at the rate of ten per cent. of such "advance tax", where the total income exceeds one crore rupees ;

(b) in the case of every domestic company, calculated—

(i) at the rate of five per cent, of such "advance tax", where the total income exceeds one crore rupees but does not exceed ten crore rupees ;

(ii) at the rate of ten per cent, of such "advance tax", where the total income exceeds ten crore rupees ;

(c) in the case of every company, other than a domestic company, calculated—

(i) at the rate of two per cent, of such "advance tax", where the total income exceeds one crore rupees but does not exceed ten crore rupees ;

(ii) at the rate of five per cent, of such "advance tax", where the total income exceeds ten crore rupees :

Provided also that in the case of persons mentioned in (a) above, having total income chargeable to tax under section 115JC of the Income-tax Act and such income exceeds one crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon shall not exceed the total amount payable as "advance tax" on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees :

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees but does not exceed ten crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon, shall not exceed the total amount payable as "advance tax" on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees :

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds ten crore rupees, the total amount payable as "advance tax" on such income and surcharge thereon, shall not exceed the total amount payable as "advance tax" and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

(10) In cases to which Paragraph A of Part III of the First Schedule applies, where the assessee has, in the previous year or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds two lakh fifty thousand rupees, then, in charging income-tax under sub-section (2) of section 174 or section 174A or section 175 or sub-section (2)

of section 176 of the said Act or in computing the “advance tax” payable under Chapter XVII-C of the said Act, at the rate or rates in force,—

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) (that is to say, as if the net agricultural income were comprised in the total income after the first two lakh fifty thousand rupees of the total income but without being liable to tax), only for the purpose of charging or computing such income-tax or, as the case may be, “advance tax” in respect of the total income ; and

(b) such income-tax or, as the case may be, “advance tax” shall be so charged or computed as follows :—

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or “advance tax” shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income ;

(ii) the net agricultural income shall be increased by a sum of two lakh fifty thousand rupees, and the amount of income-tax or “advance tax” shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income were the total income ;

(iii) the amount of income-tax or “advance tax” determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or, as the case may be, “advance tax” determined in accordance with sub-clause (II) and the sum so arrived at shall be the income-tax or, as the case may be, “advance tax” in respect of the total income :

Provided that in the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year, referred to in item (II) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “three lakh rupees” had been substituted :

Provided further that in the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words “two lakh fifty thousand rupees”, the words “five lakh rupees” had been substituted :

Provided also that the amount of income-tax or “advance tax” so arrived at, shall be increased by a surcharge for purposes of the Union calculated in each case, in the manner provided therein.

(11) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for purposes of the Union, to be called the “Education Cess on income-tax”, calculated at the rate of two per cent, of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance universalised quality basic education :

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(12) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall also be increased by an additional surcharge, for purposes of the Union, to be called the “Secondary and Higher Education Cess on income-tax”, calculated at the rate of one per cent, of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance secondary and higher education :

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(13) For the purposes of this section and the First Schedule,—

(a) “domestic company” means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2014, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income ;

(b) “insurance commission” means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance) ;

(c) “net agricultural income”, in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule ;

(d) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act,

### CHAPTER III

#### DIRECT TAXES

##### *Income-tax*

**3. Amendment of section 2.**—In section 2 of the Income-tax Act,—

(I) after clause (13), the following clause shall be inserted with effect from the 1st day of October, 2014, namely :—

“(13A) “business trust” means a trust registered as an Infrastructure Investment Trust or a Real Estate Investment Trust, the units of which are required to be listed on a recognised stock exchange, in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 (15 of 1992) and notified by the Central Government in this behalf ;

(II) in clause (14), with effect from the 1st day of April, 2015,—

(A) for the words in the opening portion “capital asset” means property of any kind held by an assessee, whether or not connected with his business or profession, but does not include—

(i) any stock-in-trade’, the following shall be substituted, namely :—

“capital asset” means—

(a) property of any kind held by an assessee, whether or not connected with his business or profession ;

(b) any securities held by a Foreign Institutional Investor which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992),

but does not include—

(i) any stock-in-trade [other than the securities referred to in sub-clause (b)],’ ;

(B) the *Explanation* occurring at the end shall be numbered as “*Explanation 1*” thereof and after the *Explanation 1* as so numbered, the following *Explanation* shall be inserted, namely :—

“*Explanation 2.*—For the purposes of this clause—

(a) the expression “Foreign Institutional Investor” shall have the meaning assigned to it in clause (a) of the *Explanation* to section 115AD ;

(b) the expression “securities” shall have the meaning assigned to it in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) ;’ ;

(III) for clause (15A), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2013,—

“(15A) “Chief Commissioner” means a person appointed to be a Chief Commissioner of Income-tax or a Principal Chief Commissioner of Income-tax under sub-section (1) of section 117 ;’ ;

(IV) for clause (16), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2013,—

“(16) “Commissioner” means a person appointed to be a Commissioner of Income-tax or a Director of Income-tax or a Principal Commissioner of Income-tax or a Principal Director of Income-tax under sub-section (1) of section 117 ;’ ;

(V) for clause (21), the following clause shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2013,—

“(21) “Director General or Director” means a person appointed to be a Director General of Income-tax or a Principal Director General of Income-tax or, as the case may be, a Director of Income-tax or a Principal Director of Income-tax, under sub-section (1) of section 117, and includes a person appointed under that sub-section to be an Additional Director of Income-tax or a Joint Director of Income-tax or an Assistant Director or Deputy Director of Income-tax ;’ ;

(VI) in clause (24), after sub-clause (xvi), the following sub-clause shall be inserted with effect from the 1st day of April, 2015, namely :—

“(xvii) any sum of money referred to in clause (ix) of sub-section (2) of section 56 ;” ;

(VII) after clause (34), the following clauses shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2013,—

“(34A) “Principal Chief Commissioner of Income-tax” means a person appointed to be a Principal Chief Commissioner of Income-tax under sub-section (1) of section 117 ;

“(34B) “Principal Commissioner of Income-tax” means a person appointed to be a Principal Commissioner of Income-tax under sub-section (1) of section 117 ;

“(34C) “Principal Director of Income-tax” means a person appointed to be a Principal Director of Income-tax under sub-section (1) of section 117 ;

“(34D) “Principal Director General of Income-tax” means a person appointed to be a Principal Director General of Income-tax under sub-section (1) of section 117 ;’ ;

(VIII) in clause (42A),—

(A) in the proviso, with effect from the 1st day of April, 2015,—

(i) for the words “a share held in a company or any other security listed in a recognised stock exchange in India”, the words and brackets “a security (other than a unit) listed in a recognised stock exchange in India” shall be substituted ;

(ii) for the words, brackets, figures and letter “a unit of a Mutual Fund specified under clause (23D) of section 10”, the words “a unit of an equity oriented fund” shall be substituted ;

(B) after the proviso, but before *Explanation 1*, the following proviso shall be inserted with effect from the 1st day of April, 2015, namely :—

“Provided further that in case of a share of a company (not being a share listed in a recognised stock exchange) or a unit of a Mutual Fund specified under clause (23D) of section 10, which is transferred during the period beginning on the 1st day of April, 2014 and ending on the 10th day of July, 2014, the provisions of this clause shall have effect as if for the words “thirty-six months”, the words “twelve months” had been substituted.” ;

(C) in the *Explanation 1*, in clause (i), after sub-clause (hb), the following sub-clause shall be inserted with effect from the 1st day of October, 2014, namely :—

“(he) in the case of a capital asset, being a unit of a business trust, allotted pursuant to transfer of share or shares as referred to in clause (xvii) of section 47,



there shall be included the period for which the share or shares were held by the assessee ;” ;

(D) after *Explanation 3*, the following *Explanation* shall be inserted with effect from the 1st day of April, 2015, namely :—

*Explanation 4.*—For the purposes of this clause, the expression “equity oriented fund” shall have the meaning assigned to it in the *Explanation* to clause (38) of section 10 ;’.

4. *Substitution of new authorities.*—In the Income-tax Act, save as otherwise expressly provided, and unless the context otherwise requires, the reference to any income-tax authority specified in column (1) of the Table below shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2013 by reference to the authority or authorities specified in the corresponding entry in column (2) of the said Table and such consequential changes as the rules of grammar may require shall be made :

TABLE

Sr. No.	(1)	(2)
1.	Commissioner	Principal Commissioner or Commissioner
2.	Director	Principal Director or Director
3.	Chief Commissioner	Principal Chief Commissioner or Chief Commissioner
4.	Director General	Principal Director General or Director General.

5. *Amendment of section 10.*—In section 10 of the Income-tax Act, with effect from the 1st day of April, 2015,—

(a) in clause (23C),—

(i) after sub-clause (iiia), the following *Explanation* shall be inserted, namely :—

*Explanation.*—For the purposes of sub-clauses (iiia) and (iiib), any university or other educational institution, hospital or other institution referred therein, shall be considered as being substantially financed by the Government for any previous year, if the Government grant to such university or other educational institution, hospital or other institution exceeds such percentage of the total receipts including any voluntary contributions, as may be prescribed, of such university or other educational institution, hospital or other institution, as the case may be, during the relevant previous year ;” ;

(ii) after the seventeenth proviso, the following proviso and the *Explanation* shall be inserted, namely :—

“Provided also that where the fund or institution referred to in sub-clause (iv) or the trust or institution referred to in sub-clause (v) has been notified by the Central Government or approved by the prescribed authority, as the case may be, or any university or other educational institution referred to in sub-clause (vi) or any hospital or other medical institution referred to in sub-clause (via), has been approved by the prescribed authority, and the notification or the approval is in force for any previous year, then, nothing contained in any other provision of this section [other than clause (1) thereof] shall operate to exclude any income received on behalf of such fund or trust or institution or university or other educational institution or hospital or other medical institution, as the case may be, from the total income of the person in receipt thereof for that previous year.

*Explanation.*—In this clause, where any income is required to be applied or accumulated, then, for such purpose the income shall be determined without any deduction or allowance by way of depreciation or otherwise in respect of any asset, acquisition of which has been claimed as an application of income under this clause in the same or any other previous year ;” ;

(b) after clause (23FB), the following clauses shall be inserted, namely :—

“(23FC) any income of a business trust by way of interest received or receivable from a special purpose vehicle.

*Explanation.*—For the purposes of this clause, the expression “special purpose vehicle” means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration ;

(23FD) any distributed income, referred to in section 115UA, received by a unit holder from the business trust, not being that proportion of the income which is of the same nature as the income referred to in clause (23FC);’ :

(c) in clause (38),—

(i) after the words “unit of an equity oriented fund”, the words “or a unit of a business trust” shall be inserted ;

(ii) after the proviso but before the *Explanation*, the following proviso shall be inserted, namely :—

“Provided further that the provisions of this clause shall not apply in respect of any income arising from transfer of units of a business trust which were acquired in consideration of a transfer referred to in clause (xvii) of section 47.”.

**6. Amendment of section 10AA.**—In section 10AA of the Income-tax Act, after sub-section (9) but before the *Explanation 1*, the following sub-section shall be inserted with effect from the 1st day of April, 2015, namely :—

“(10) Where a deduction under this section is claimed and allowed in respect of profits of any of the specified business, referred to in clause (c) of sub-section (8) of section 35AD, for any assessment year, no deduction shall be allowed under the provisions of section 35AD in relation to such specified business for the same or any other assessment year.”.

**7. Amendment of section 11.**—In section 11 of the Income-tax Act, after sub-section (5), the following sub-sections shall be inserted with effect from the 1st day of April, 2015, namely :—

“(6) In this section where any income is required to be applied or accumulated or set apart for application, then, for such purposes the income shall be determined without any deduction or allowance by way of depreciation or otherwise in respect of any asset, acquisition of which has been claimed as an application of income under this section in the same or any other previous year.

(7) Where a trust or an institution has been granted registration under clause (b) of sub-section (1) of section 12AA or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996] (33 of 1996) and the said registration is in force for any previous year, then, nothing contained in section 10 [other than clause (1) and clause (23C) thereof] shall operate to exclude any income derived from the property held under trust from the total income of the person in receipt thereof for that previous year.”.

**8. Amendment of section 12A.**—In section 12A of the Income-tax Act, in sub-section (2), the following provisos shall be inserted with effect from the 1st day of October, 2014, namely :—

“Provided that where registration has been granted to the trust or institution under section 12AA, then, the provisions of sections 11 and 12 shall apply in respect of any income derived from property held under trust of any assessment year preceding the aforesaid assessment year, for which assessment proceedings are pending before the Assessing Officer as on the date of such registration and the objects and activities of such trust or institution remain the same for such preceding assessment year :

Provided further that no action under section 147 shall be taken by the Assessing Officer in case of such trust or institution for any assessment year preceding the aforesaid assessment year only for non-registration of such trust or institution for the said assessment year :

Provided also that provisions contained in the first and second proviso shall not apply in case of any trust or institution which was refused registration or the registration granted to it was cancelled at any time under section 12AA.”.

**9. Amendment of section 12AA.**—In section 12AA of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted with effect from the 1st day of October, 2014, namely :—

“(4) Without prejudice to the provisions of sub-section (3), where a trust or an institution has been granted registration under clause (b) of sub-section (1) or has obtained registration at any time under section 12A [as it stood before its amendment by the Finance (No. 2) Act, 1996] (33 of 1996) and subsequently it is noticed that the activities of the trust or the institution are being carried out in a manner that the provisions of sections 11 and 12 do not apply to exclude either whole or any part of the income of such trust or institution due to operation of sub-section (1) of section 13, then, the Principal Commissioner or the Commissioner may by an order in writing cancel the registration of such trust or institution :

Provided that the registration shall not be cancelled under this sub-section, if the trust or institution proves that there was a reasonable cause for the activities to be carried out in the said manner.”.

**10. Amendment of section 24.**—In section 24 of the Income-tax Act, in clause (b), in the second proviso, for the words “one lakh fifty thousand rupees”, the words “two lakh rupees” shall be substituted with effect from the 1st day of April, 2015.

**11. Amendment of section 32AC.**—In section 32AC of the Income-tax Act, with effect from the 1st day of April, 2015,—

(i) after sub-section (1), the following sub-sections shall be inserted, namely :—

“(1A) Where an assessee, being a company, engaged in the business of manufacture or production of any article or thing, acquires and installs new assets and the amount of actual cost of such new assets acquired and installed during any previous year exceeds twenty-five crore rupees, then, there shall be allowed a deduction of a sum equal to fifteen per cent. of the actual cost of such new assets for the assessment year relevant to that previous year :

Provided that no deduction under this sub-section shall be allowed for the assessment year commencing on the 1st day of April, 2015 to the assessee, which is eligible to claim deduction under sub-section (1) for the said assessment year.

(1B) No deduction under sub-section (1A) shall be allowed for any assessment year commencing on or after the 1st day of April, 2018.” ;

(ii) in sub-section (2), after the words, brackets and figure “allowed under sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted.

**12. Amendment of section 35AD.**—In section 35AD of the Income-tax Act, with effect from the 1st day of April, 2015,—

(a) in sub-section (3), after the words “no deduction shall be allowed under the provisions of”, the words, figures and letters “section 10AA and” shall be inserted ;

(b) in sub-section (5),—

(i) in clause (ah), the word “and” occurring at the end, shall be omitted ;

(ii) after clause (ah), the following clauses shall be inserted, namely :—

“(ai) on or after the 1st day of April, 2014, where the specified business is in the nature of laying and operating a slurry pipeline for the transportation of iron ore ;

(aj) on or after the 1st day of April, 2014, where the specified business is in the nature of setting up and operating a semi-conductor wafer fabrication manufacturing unit, and which is notified by the Board in accordance with such guidelines as may be prescribed ; and” ;

(c) after sub-section (7), the following sub-sections shall be inserted, namely :—

“(7A) Any asset in respect of which a deduction is claimed and allowed under this section shall be used only for the specified business, for a period of eight years beginning with the previous year in which such asset is acquired or constructed.

(7B) Where any asset, in respect of which a deduction is claimed and allowed under this section, is used for a purpose other than the specified business during the period specified in sub-section (7A), otherwise than by way of a mode referred to in clause (vii) of section 28, the total amount of deduction so claimed and allowed in one or more previous years, as reduced by the amount of depreciation allowable in accordance with the provisions of section 32, as if no deduction under this section was allowed, shall be deemed to be the income of the assessee chargeable under the head “Profits and gains of business or profession” of the previous year in which the asset is so used.

(7C) Nothing contained in sub-section (7B) shall apply to a company which has become a sick industrial company under sub-section (1) of section 17 of the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986), during the period specified in sub-section (7A).’ ;

(d) in sub-section (8), in clause (c), after sub-clause (xi), the following sub-clauses shall be inserted, namely :—

“(xii) laying and operating a slurry pipeline for the transportation of iron ore ;

(xiii) setting up and operating a semi-conductor wafer fabrication manufacturing unit notified by the Board in accordance with such guidelines as may be prescribed ;”.

**13. Amendment of section 37.**—In section 37 of the Income-tax Act, in sub-section (1), the *Explanation* shall be numbered as *Explanation 1* thereof and after *Explanation 1* as so numbered, the following *Explanation* shall be inserted with effect from the 1st day of April, 2015, namely :—

“*Explanation 2.*—For the removal of doubts, it is hereby declared that for the purposes of sub-section (1), any expenditure incurred by an assessee on the activities relating to corporate social responsibility referred to in section 135 of the Companies Act, 2013 (18 of 2013) shall not be deemed to be an expenditure incurred by the assessee for the purposes of the business or profession.”.

**14. Amendment of section 40.**—In section 40 of the Income-tax Act, in clause (a), with effect from the 1st day of April, 2015,—

(a) in sub-clause (i),—

(I) for the portion beginning with the words “during the previous year” and ending with the words, brackets and figures “sub-section (1) of section 200”, the words, brackets and figures “on or before the due date specified in sub-section (1) of section 139” shall be substituted ;

(II) for the proviso, the following proviso shall be substituted, namely :—

“Provided that where in respect of any such sum, tax has been deducted in any subsequent year, or has been deducted during the previous year but paid after the due date specified in sub-section (1) of section 139, such sum shall be allowed as a deduction in computing the income of the previous year in which such tax has been paid.” ;

(b) In sub-clause (ia),—

(I) for the portion beginning with the words “any interest, commission or brokerage” and ending with the words and brackets “for carrying out any work (including supply of labour for carrying out any work)”, the words “thirty per cent. of any sum payable to a resident” shall be substituted ;

(II) in the first proviso, after the words, brackets and figures “sub-section (1) of section 139,”, the words “thirty per cent. of” shall be inserted.

**15. Amendment of section 43.**—In section 43 of the Income-tax Act, in clause (5), in the proviso, in clause (e), for the words “recognised association”, the words and figures “recognised association, which is chargeable to commodities transaction tax under Chapter VII of the Finance Act, 2013 (17 of 2013)” shall be substituted.

**16. Amendment of section 44AE.**—In section 44AE of the Income-tax Act, with effect from the 1st day of April, 2015,—

(i) for sub-section (2), the following sub-section shall be substituted, namely :—

“(2) For the purpose of sub-section (1), the profits and gains from each goods carriage shall be an amount equal to seven thousand five hundred rupees for every month or part of a month during which the goods carriage is owned by the assessee in the previous year or an amount claimed to have been actually earned from the vehicle, whichever is higher.” ;

(ii) in the *Explanation*, for clause (a), the following clause shall be substituted, namely :—

‘(a) the expression “goods carriage” shall have the meaning assigned to it in section 2 of the Motor Vehicles Act, 1988 (59 of 1988) ;’.

**17. Amendment of section 45.**—In section 45 of the Income-tax Act, in sub-section (5), after clause (b), the following proviso shall be inserted with effect from the 1st day of April, 2015, namely :—

‘Provided that any amount of compensation received in pursuance of an interim order of a court, Tribunal or other authority shall be deemed to be income chargeable under the head “Capital gains” of the previous year in which the final order of such court, Tribunal or other authority is made ;’.

**18. Amendment of section 47.**—In section 47 of the Income-tax Act, with effect from the 1st day of April, 2015,—

(a) after clause (viia), the following shall be inserted, namely :—

‘(viib) any transfer of a capital asset, being a Government Security carrying a periodic payment of interest, made outside India through an intermediary dealing in settlement of securities, by a non-resident to another non-resident.

*Explanation.*—For the purposes of this clause, “Government Security” shall have the meaning assigned to it in clause (b) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) ;’ ;

(b) after clause (xvi), the following shall be inserted, namely :—

‘(xvii) any transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by that trust to the transferor.

*Explanation.*—For the purposes of this clause, the expression “special purpose vehicle” shall have the meaning assigned to it in the *Explanation* to clause (23FC) of section 10.’.

**19. Amendment of section 48.**—In section 48 of the Income-tax Act, in the *Explanation*, in clause (v), for the words “Consumer Price Index for urban non-manual employees”, the words and brackets “Consumer Price Index (Urban)” shall be substituted with effect from the 1st day of April, 2016.

**20. Amendment of section 49.**—In section 49 of the Income-tax Act, after sub-section (2AB), the following sub-section shall be inserted with effect from the 1st day of April, 2015,—

“(2AC) Where the capital asset, being a unit of a business trust, became the property of the assessee in consideration of a transfer as referred to in clause (xvii) of section 47, the cost of acquisition of the asset shall be deemed to be the cost of acquisition to him of the share referred to in the said clause.”.

**21. Amendment of section 51.**—In section 51 of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of April, 2015, namely :—

“Provided that where any sum of money, received as an advance or otherwise in the course of negotiations for transfer of a capital asset, has been included in the total income of the assessee for any previous year in accordance with the provisions of clause (ix) of sub-section (2) of section 56, then, such sum shall not be deducted from the cost for which the asset was acquired or the written down value or the fair market value, as the case may be, in computing the cost of acquisition.”.

**22. Amendment of section 54.**—In section 54 of the Income-tax Act, in sub-section (1), for the words “constructed, a residential house”, the words “constructed, one residential house in India” shall be substituted with effect from the 1st day of April, 2015.

**23. Amendment of section 54EC.**—In section 54EC, in sub-section (1), after the proviso, the following proviso shall be inserted with effect from the 1st day of April, 2015, namely :—

“Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees.”.

**24. Amendment of section 54F.**—In section 54F of the Income-tax Act, in sub-section (1), for the words “constructed, a residential house”, the words “constructed, one residential house in India” shall be substituted with effect from the 1st day of April, 2015.

**25. Amendment of section 56.**—In section 56 of the Income-tax Act, in sub-section (2), after clause (viii), the following clause shall be inserted with effect from the 1st day of April, 2015, namely :—

“(ix) any sum of money received as an advance or otherwise in the course of negotiations for transfer of a capital asset, if,—

(a) such sum is forfeited ; and

(b) the negotiations do not result in transfer of such capital asset.”.

**26. Amendment of section 73.**—In section 73 of the Income-tax Act, in the *Explanation*, for the words “the principal business of which is the business of banking”, the words “the principal business of which is the business of trading in shares or banking” shall be substituted with effect from the 1st day of April, 2015.

**27. Amendment of section 80C.**—In section 80C of the Income-tax Act, in sub-section (1), for the words “one lakh rupees”, the words “one hundred and fifty thousand rupees” shall be substituted with effect from the 1st day of April, 2015.

**28. Amendment of section 80CCD.**—In section 80CCD of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2015,—

(i) for the words, figures and letters “Where an assessee, being an individual employed by the Central Government or any other employer on or after the 1st day of January, 2004”, the words, figures and letters “Where an assessee, being an individual employed by the Central Government on or after the 1st day of January, 2004 or, being an individual employed by any other employer” shall be substituted ;

(ii) after sub-section (1), the following sub-section shall be inserted, namely :—

“(1A) The amount of deduction under sub-section (1) shall not exceed one hundred thousand rupees.”.

**29. Amendment of section 80CCE.**—In section 80CCE of the Income-tax Act, for the words “one lakh rupees”, the words “one hundred and fifty thousand rupees” shall be substituted with effect from the 1st day of April, 2015.

**30. Amendment of section 80-IA.**—In section 80-IA of the Income-tax Act, in sub-section (4), in clause (iv), in sub-clauses (a), (b) and (c), for the words, figures and letters “the 31st day of March, 2014”, the words, figures and letters “the 31st day of March, 2017” shall respectively be substituted with effect from the 1st day of April, 2015.

**31. Amendment of section 92B.**—In section 92B of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2015,—

(i) for the words “deemed to be a transaction”, the words “deemed to be an international transaction” shall be substituted ;

(ii) after the words “determined in substance between such other person and the associated enterprise”, the words “where the enterprise or the associated enterprise or both of them are non-residents irrespective of whether such other person is a non-resident or not” shall be inserted,

**32. Amendment of section 92C.**—In section 92C of the Income-tax Act, in sub-section (2), after the second proviso, but before the *Explanation*, the following proviso shall be inserted with effect from the 1st day of April, 2015, namely :—

“Provided also that where more than one price is determined by the most appropriate method, the arm’s length price in relation to an international transaction or specified domestic transaction undertaken on or after the 1st day of April, 2014, shall be computed in such manner as may be prescribed and accordingly the first and second proviso shall not apply.”.

**33. Amendment of section 92CC.**—In section 92CC of the Income-tax Act, after sub-section (9), the following sub-section shall be inserted with effect from the 1st day of October, 2014, namely :—

“(9A) The agreement referred to in sub-section (1), may, subject to such conditions, procedure and manner as may be prescribed, provide for determining the arm’s length price or specify the manner in which arm’s length price shall be determined in relation to the international transaction entered into by the person during any period not exceeding four previous years preceding the first of the previous years referred to in sub-section (4), and the arm’s length price of such international transaction shall be determined in accordance with the said agreement.”.

**34. Amendment of section 111A.**—In section 111A of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2015,—

(A) after the words “unit of an equity oriented fund”, the words “or a unit of a business trust” shall be inserted ;

(B) after the proviso, the following proviso shall be inserted, namely :—

“Provided further that the provisions of this sub-section shall not apply in respect of any income arising from transfer of units of a business trust which were acquired by the assessee in consideration of a transfer as referred to in clause (xvii) of section 47.”.

**35. Amendment of section 112.**—In section 112 of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2015,—

(a) in the proviso, occurring after clause (d), for the words “being listed securities or unit”, the words and brackets “being listed securities (other than a unit)” shall be substituted ;

(b) after the proviso, occurring after clause (d), the following proviso shall be inserted, namely :—

“Provided further that where the tax payable in respect of any income arising from the transfer of a long-term capital asset, being a unit of a Mutual Fund specified under clause (23D) of section 10, during the period beginning on the 1st day of April, 2014 and ending on the 10th day of July, 2014, exceeds ten per cent. of the amount of capital gains, before giving effect to the provisions of the second proviso to section 48, then, such excess shall be ignored for the purpose of computing the tax payable by the assessee.” ;

(c) in the *Explanation*, clause (b) shall be omitted.

**36. Amendment of section 115A.**—In section 115A of the Income-tax Act, in sub-section (1), in clause (a), with effect from the 1st day of April, 2015,—

(I) after sub-clause (iiab), the following sub-clause shall be inserted, namely :—

“(iiac) distributed income being interest referred to in sub-section (2) of section 194LBA :” ;

(II) in item (BA), after the word, brackets, figures and letters “sub-clause (iiaby)”, the words, brackets, figures and letters “or sub-clause (iiac)” shall be inserted ;

(III) in item (D), after the word, brackets, figures and letters “sub-clause (iiab)”, the word, brackets, figures and letters “, sub-clause (iiac)” shall be inserted.

**37. Amendment of section 115BBC.**—In section 115BBC of the Income-tax Act, in sub-section (1), for clause (ii), the following clause shall be substituted with effect from the 1st day of April, 2015, namely :—

“(ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the aggregate of anonymous donations received in excess of the amount referred to in sub-clause (A) or sub-clause (B) of clause (i), as the case may be.”.

**38. Amendment of section 115BBD.**—In section 115BBD of the Income-tax Act, in sub-section (1), the words, figures and letters “for the previous year relevant to the assessment year beginning on the 1st day of April, 2012 or beginning on the 1st day of April, 2013 or beginning on the 1st day of April, 2014” shall be omitted with effect from the 1st day of April, 2015.

**39. Amendment of section 115JC.**—In section 115JC of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2015,—

(a) in clause (i), the word “and” occurring at the end, shall be omitted ;

(b) in clause (ii), for the words, figures and letters “under section 10AA”, the words, figures and letters “under section 10AA ; and” shall be substituted ;

(c) after clause (ii), the following clause shall be inserted, namely :—

“(iii) deduction claimed, if any, under section 35AD as reduced by the amount of depreciation allowable in accordance with the provisions of section 32 as if no deduction under section 35AD was allowed in respect of the assets on which the deduction under that section is claimed.”.

**40. Amendment of section 115JEE.**—In section 115JEE of the Income-tax Act, with effect from the 1st day of April, 2015,—

(A) in sub-section (1), for clause (b), the following clauses shall be substituted, namely :—

“(b) section 10AA ; or

(c) section 35AD.” ;

(B) after sub-section (2), the following sub-section shall be inserted, namely :—

“(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), the credit for tax paid under section 115JC shall be allowed in accordance with the provisions of section 115JD.”.

**41. Amendment of section 115-O.**—In section 115-O of the Income-tax Act, after the *Explanation* to sub-section (1A), the following sub-section shall be inserted with effect from the 1st day of October, 2014, namely :—

“(1B) For the purposes of determining the tax on distributed profits payable in accordance with this section, any amount by way of dividends referred to in sub-section (1) as reduced by the amount referred to in sub-section (1A) [hereafter referred to as net distributed profits], shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate specified in sub-section (1), be equal to the net distributed profits.”.



**42. Amendment of section 115R.**—In section 115R of the Income-tax Act,—

(a) after the *Explanation* to sub-section (2), the following sub-section shall be inserted with effect from the 1st day of October, 2014, namely :—

“(2A) For the purposes of determining the additional income-tax payable in accordance with sub-section (2), the amount of distributed income referred therein shall be increased to such amount as would, after reduction of the additional income-tax on such increased amount at the rate specified in sub-section (2), be equal to the amount of income distributed by the Mutual Fund.” ;

(b) sub-section (3A) shall be omitted with effect from the 1st day of April, 2015.

**43. Amendment of section 115TA.**—In section 115TA of the Income-tax Act, sub-section (3) shall be omitted with effect from the 1st day of April, 2015.

**44. Insertion of new Chapter XII-FA.**—After Chapter XII-F of the Income-tax Act, the following Chapter shall be inserted with effect from the 1st day of April, 2015, namely :—

#### “CHAPTER XII-FA

##### SPECIAL, PROVISIONS RELATING TO BUSINESS TRUSTS

**115UA. Tax on income of unit holder and business trust.**—(1) Notwithstanding anything contained in any other provisions of this Act, any income distributed by a business trust to its unit holders shall be deemed to be of the same nature and in the same proportion in the hands of the unit holder as it had been received by, or accrued to, the business trust.

(2) Subject to the provisions of section 111A and section 112, the total income of a business trust shall be charged to tax at the maximum marginal rate.

(3) If in any previous year, the distributed income or any part thereof, received by a unit holder from the business trust is of the nature as referred to in clause (23FC) of section 10, then, such distributed income or part thereof shall be deemed to be income of such unit holder and shall be charged to tax as income of the previous year.

(4) Any person responsible for making payment of the income distributed on behalf of a business trust to a unit holder shall furnish a statement to the unit holder and the prescribed authority, within such time and in such form and manner as may be prescribed, giving the details of the nature of the income paid during the previous year and such other details as may be prescribed.”.

**45. Amendment of section 116.**—In section 116 of the Income-tax Act,—

(i) after clause (a), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2013,—

“(aa) Principal Directors General of Income-tax or Principal Chief Commissioners of Income-tax,” ;

(ii) after clause (b), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2013,—

“(ba) Principal Directors of Income-tax or Principal Commissioners of Income-tax,”.

**46. Amendment of section 119.**—In section 119 of the Income-tax Act, in sub-section (2), in clause (a), after the figures and letter “234C”, the figures and letter “234E” shall be inserted with effect from the 1st day of October, 2014.

**47. Amendment of section 133A.**—In section 133 A of the Income-tax Act, with effect from the 1st day of October, 2014,—

(I) after sub-section (2), the following sub-section shall be inserted, namely :—

“(2A) Without prejudice to the provisions of sub-section (1), an income-tax authority acting under this sub-section may for the purpose of verifying that tax has been deducted or collected at source in accordance with the provisions under sub-heading B of Chapter XVII or under sub-heading BB of Chapter XVII, as the case may be, enter, after

sunrise and before sunset, any office, or any other place where business or profession is carried on, within the limits of the area assigned to him, or any place in respect of which he is authorised for the purposes of this section by such income-tax authority who is assigned the area within which such place is situated, where books of account or documents are kept and require the deductor or the collector or any other person who may at that time and place be attending in any manner to such work,—

(i) to afford him the necessary facility to inspect such books of account or other documents as he may require and which may be available at such place, and

(ii) to furnish such information as he may require in relation to such matter.” ;

(II) in sub-section (3), in clause (ia), in the proviso, for clause (b), the following clause shall be substituted, namely :—

“(b) retain in his custody any such books of account or other documents for a period exceeding fifteen days (exclusive of holidays) without obtaining the approval of the Principal Chief Commissioner or the Chief Commissioner or the Principal Director General or the Director General or the Principal Commissioner or the Commissioner or the Principal Director or the Director therefor, as the case may be,” ;

(III) in sub-section (3), the following proviso shall be inserted, namely :—

“Provided that no action under clause (id) or clause (ii) shall be taken by an income-tax authority acting under sub-section (2A).”.

**48. Insertion of section 133C.**—After section 133B of the Income-tax Act, the following shall be inserted with effect from the 1st day of October, 2014, namely :—

‘ 133C. *Power to call for information by prescribed income-tax authority.*—The prescribed income-tax authority may, for the purposes of verification of information in its possession relating to any person, issue a notice to such person requiring him, on or before a date to be specified therein, to furnish information or documents verified in the manner specified therein, which may be useful for, or relevant to, any inquiry or proceeding under this Act.

*Explanation.*—In this section, the term “proceeding” shall have the meaning assigned to it in clause (b) of the *Explanation* to section 133A.’.

**49. Amendment of section 139.**—In section 139 of the Income-tax Act, with effect from the 1st day of April, 2015,—

(a) in sub-section (4C),—

(i) after clause (e), the following clauses shall be inserted, namely :—

“(ea) Mutual Fund referred to in clause (23D) of section 10 ;

(eb) securitisation trust referred to in clause (23DA) of section 10 ;

(ec) venture capital company or venture capital fund referred to in clause (23FB) of section 10 ;” ;

(ii) after the words “or infrastructure debt fund”, the words “or Mutual Fund or securitisation trust or venture capital company or venture capital fund” shall be inserted ;

(b) after sub-section (4D), the following sub-section shall be inserted, namely :—

“(4E) Every business trust, which is not required to furnish return of income or loss under any other provisions of this section, shall furnish the return of its income in respect of its income or loss in every previous year and all the provisions of this Act shall, so far as may be, apply if it were a return required to be furnished under sub-section (1).”.

**50. Amendment of section 140.**—In section 140 of the Income-tax Act, with effect from the 1st day of October, 2014,—

(i) in the marginal heading, for the word “signed”, the word “verified” shall be substituted ;

(ii) for the words “signed and verified”, wherever they occur, the word “verified” shall be substituted ;

(iii) for the words “sign and verify”, wherever they occur, the word “verify” shall be substituted ;

(iv) in clause (a),—

(a) in sub-clause (iv), for the word “sign”, the word “verify” shall be substituted ;

(b) in the proviso, for the word “signing”, the word “verifying” shall be substituted.

**51. Substitution of new section for section 142A.**—For section 142A of the Income-tax Act, the following section shall be substituted with effect from the 1st day of October, 2014, namely :—

‘142A. *Estimation of value of assets by Valuation Officer.*—(1) The Assessing Officer may, for the purposes of assessment or reassessment, make a reference to a Valuation Officer to estimate the value, including fair market value, of any asset, property or investment and submit a copy of report to him.

(2) The Assessing Officer may make a reference to the Valuation Officer under sub-section (1) whether or not he is satisfied about the correctness or completeness of the accounts of the assessee.

(3) The Valuation Officer, on a reference made under sub-section (1), shall, for the purpose of estimating the value of the asset, property or investment, have all the powers that he has under section 38A of the Wealth-tax Act, 1957 (27 of 1957).

(4) The Valuation Officer shall, estimate the value of the asset, property or investment after taking into account such evidence as the assessee may produce and any other evidence in his possession gathered, after giving an opportunity of being heard to the assessee.

(5) The Valuation Officer may estimate the value of the asset, property or investment to the best of his judgment, if the assessee does not co-operate or comply with his directions.

(6) The Valuation Officer shall send a copy of the report of the estimate made under sub-section (4) or sub-section (5), as the case may be, to the Assessing Officer and the assessee, within a period of six months from the end of the month in which a reference is made under sub-section (1).

(7) The Assessing Officer may, on receipt of the report from the Valuation Officer, and after giving the assessee an opportunity of being heard, take into account such report in making the assessment or reassessment.

*Explanation.*—In this section, “Valuation Officer” has the same meaning as in clause (r) of section 2 of the Wealth-tax Act, 1957 (27 of 1957).’

**52. Amendment of section 145.**—In section 145 of the Income-tax Act, with effect from the 1st day of April, 2015,—

(i) in sub-section (2), for the words “accounting standards”, the words “income computation and disclosure standards” shall be substituted ;

(ii) in sub-section (3), for the words, brackets and figure “or accounting standards as notified under sub-section (2), have not been regularly followed by the assessee”, the words, brackets and figure “has not been regularly followed by the assessee, or income has not been computed in accordance with the standards notified under sub-section (2)” shall be substituted.

**53. Amendment of section 153.**—In section 153 of the Income-tax Act, in *Explanation 1*, after clause (iii), the following clause shall be inserted with effect from the 1st day of October, 2014, namely :—

“(iv) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer, or”.

**54. Amendment of section 153B.**—In section 153B of the Income-tax Act, in the *Explanation*, after clause (ii), the following clause shall be inserted with effect from the 1st day of October, 2014, namely :—

“(iia) the period commencing from the date on which the Assessing Officer makes a reference to the Valuation Officer under sub-section (1) of section 142A and ending with the date on which the report of the Valuation Officer is received by the Assessing Officer, or”.

**55. Amendment of section 153C.**—In section 153C of the Income-tax Act, in sub-section (1), for the words, figures and letter “and that Assessing Officer shall proceed against each such other person and issue such other person notice and assess or reassess income of such other person in accordance with the provisions of section 153 A”, occurring at the end but before the first proviso, the words, figures, letters and brackets “and that Assessing Officer shall proceed against each such other person and issue notice and assess or reassess the income of the other person in accordance with the provisions of section 153A, if, that Assessing Officer is satisfied that the books of account or documents or assets seized or requisitioned have a bearing on the determination of the total income of such other person for the relevant assessment year or years referred to in sub-section (1) of section 153A” shall be substituted with effect from the 1st day of October, 2014.

**56. Amendment of section 194A.**—In section 194A of the Income-tax Act, in sub-section (3), after clause (x), the following clause shall be inserted with effect from the 1st day of October, 2014, namely :—

“(xi) to any income by way of interest referred to in clause (23FC) of section 10.”.

**57. Insertion of new section 194DA.**—After section 194D of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2014, namely :—

“194DA. *Payment in respect of life insurance policy.*—Any person responsible for paying to a resident any sum under a life insurance policy, including the sum allocated by way of bonus on such policy, other than the amount not includible in the total income under clause (10D) of section 10, shall, at the time of payment thereof, deduct income-tax thereon at the rate of two per cent. :

Provided that no deduction under this section shall be made where the amount of such payment or, as the case may be, the aggregate amount of such payments to the payee during the financial year is less than one hundred thousand rupees.”.

**58. Insertion of new section 194LBA.**—After section 194LB of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2014, namely :—

“194LBA. *Certain income from units of a business trust.*—(1) Where any distributed income referred to in section 115UA, being of the nature referred to in clause (23FC) of section 10, is payable by a business trust to its unit holder being a resident, the person responsible for making the payment shall at the time of credit of such payment to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent.

(2) Where any distributed income referred to in section 115UA, being of the nature referred to in clause (23FC) of section 10, is payable by a business trust to its unit holder, being a non-resident, not being a company or a foreign company, the person responsible for making the payment shall at the time of credit of such payment to the account of the payee or at the time of payment thereof in cash or by the issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rate of five per cent.”.

**59. Amendment of section 194LC.**—In section 194LC of the Income-tax Act, with effect from the 1st day of October, 2014,—

(A) in sub-section (1), after the words “by a specified company”, the words “or a business trust” shall be inserted ;

(B) in sub-section (2),—

(a) in the opening portion, after the words “by the specified company”, the words “or the business trust” shall be inserted ;

(b) for clause (i), the following clause shall be substituted, namely :—

“(i) in respect of monies borrowed by it in foreign currency from a source outside India,—

(a) under a loan agreement at any time on or after the 1st day of July, 2012 but before the 1st day of July, 2017 ; or

(b) by way of issue of long-term infrastructure bonds at any time on or after the 1st day of July, 2012 but before the 1st day of October, 2014 ; or

(c) by way of issue of any long-term bond including long-term infrastructure bond at any time on or after the 1st day of October, 2014 but before the 1st day of July, 2017,

as approved by the Central Government in this behalf ; and”.

**60. Amendment of section 200.**—In section 200 of the Income-tax Act, in sub-section (3), the following proviso shall be inserted with effect from the 1st day of October, 2014, namely :—

“Provided that the person may also deliver to the prescribed authority a correction statement for rectification of any mistake or to add, delete or update the information furnished in the statement delivered under this sub-section in such form and verified in such manner as may be specified by the authority”.

**61. Amendment of section 200A.**—In section 200A of the Income-tax Act, in sub-section (1), after the words “where a statement of tax deduction at source”, the words “or a correction statement” shall be inserted with effect from the 1st day of October, 2014.

**62. Amendment of section 201.**—In section 201 of the Income-tax Act, for sub-section (3), the following sub-section shall be substituted with effect from the 1st day of October, 2014, namely :—

“(3) No order shall be made under sub-section (1) deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from a person resident in India, at any time after the expire of seven years from the end of the financial year in which payment is made or credit is given.”.

**63. Amendment of section 206AA.**—In section 206AA of the Income-tax Act, in sub-section (7), the word “infrastructure” shall be omitted with effect from the 1st day of October, 2014.

**64. Amendment of section 220.**—In section 220 of the Income-tax Act, with effect from the 1st day of October, 2014,—

(i) after sub-section (1), the following sub-section shall be inserted, namely :—

“(1A) Where any notice of demand has been served upon an assessee and any appeal or other proceeding, as the case may be, is filed or initiated in respect of the amount specified in the said notice of demand, then, such demand shall be deemed to be valid till the disposal of the appeal by the last appellate authority or disposal of the proceedings, as the case may be, and any such notice of demand shall have the effect as specified in section 3 of the Taxation Laws (Continuation and Validation of Recovery Proceedings) Act, 1964 (11 of 1964).” ;

(ii) in sub-section (2),—

(a) after the first proviso, the following proviso shall be inserted, namely :—

“Provided further that where as a result of an order under sections specified in the first proviso, the amount on which interest was payable under this section had been reduced and subsequently as a result of an order under said sections or section 263, the amount on which interest was payable under this section is increased, the assessee shall be liable to pay interest under sub-section (2) from the day immediately following the end of the period mentioned in the first notice of demand, referred to in sub-section (1) and ending with the day on which the amount is paid :” ;

(b) in the second proviso, for the words “Provided further”, the words “Provided also” shall be substituted.

**65. Amendment of section 245A.**—In section 245A of the Income-tax Act, in clause (b), with effect from the 1st day of October, 2014,—

(A) the proviso shall be omitted ;

(B) in the *Explanation*,—

(a) in clause (i), for the words, brackets and figure “referred to in clause (i) of the proviso”, the words and figures “under section 147” shall be substituted ;

(b) for clause (iii), the following clause shall be substituted, namely :—

“(iii) a proceeding for making fresh assessment in pursuance of an order under section 254 or section 263 or section 264, setting aside or cancelling an assessment shall be deemed to have commenced from the date on which such order, setting aside or cancelling an assessment was passed ;” ;

(c) in clause (iv), for the words, brackets, figures and letter “clause (i) or clause (iv) of the proviso or clause (iiia) of the *Explanation*”, the words, brackets, figures and letter “clause (i) or clause (iii) or clause (iiia)” shall be substituted.

**66. Amendment of section 245N.**—In section 245N of the Income-tax Act, with effect from the 1st day of October, 2014,—

(A) in clause (a),—

(I) in sub-clause (ii), at the end, the word “or” shall be inserted ;

(II) after sub-clause (ii) and before the long line, the following sub-clause shall be inserted, namely :—

“(iia) a determination by the Authority in relation to the tax liability of a resident applicant, arising out of a transaction which has been undertaken or is proposed to be undertaken by such applicant,” ;

(B) in clause (b), after sub-clause (ii), the following sub-clause shall be inserted, namely :—

“(iia) is a resident referred to in sub-clause (iia) of clause (a) falling within any such class or category of persons as the Central Government may, by notification in the *Official Gazette*, specify ; or” ;

(C) for clause (f), the following clauses shall be substituted, namely :—

“(f) “Member” means a Member of the Authority and includes the Chairman and Vice-chairman ;

(g) “Vice-chairman” means the Vice-chairman of the Authority.’.

**67. Amendment of section 245-O.**—In section 245-O of the Income-tax Act, for sub-sections (2), (3), (4) and (5), the following sub-sections shall be substituted with effect from the 1st day of October, 2014, namely :—

“(2) The Authority shall consist of a Chairman and such number of Vice-chairmen, revenue Members and law Members as the Central Government may, by notification, appoint.

(3) A person shall be qualified for appointment as—

(a) Chairman, who has been a Judge of the Supreme Court ;

(b) Vice-chairman, who has been Judge of a High Court ;

(c) a revenue Member from the Indian Revenue Service, who is a Principal Chief Commissioner or Principal Director General or Chief Commissioner or Director General ;

(d) a law Member from the Indian Legal Service, who is an Additional Secretary to the Government of India.

(4) The terms and conditions of service and the salaries and allowances payable to the Members shall be such as may be prescribed.

(5) The Central Government shall provide to the Authority with such officers and employees, as may be necessary, for the efficient discharge of the functions of the Authority under this Act.

(6) The powers and functions of the Authority may be discharged by its Benches as may be constituted by the Chairman from amongst the Members thereof.

(7) A Bench shall consist of the Chairman or the Vice-chairman and one revenue Member and one law Member.

(8) The Authority shall be located in the National Capital Territory of Delhi and its Benches shall be located at such places as the Central Government may, by notification specify.”.

**68. Amendment of section 269SS.**—In section 269SS of the Income-tax Act, in the opening portion, after the words “cheque or account payee bank draft”, the words “or use of electronic clearing system through a bank account” shall be inserted with effect from the 1st day of April, 2015.

**69. Amendment of section 269T.**—In section 269T of the Income-tax Act. in the opening portion, after the words “cheque or account payee bank draft drawn in the name of the person who has made the loan or deposit”, the words “or by use of electronic clearing system through a bank account” shall be inserted with effect from the 1st day of April, 2015.

**70. Amendment of section 271FA.**—In section 271FA of the Income-tax Act, with effect from the 1st day of April, 2015,—

(i) in the marginal heading, for the words “annual information return”, the words “statement of financial transaction or reportable account” shall be substituted ;

(ii) for the words “an annual information return”, the words “a statement of financial transaction or reportable account” shall be substituted ;

(iii) for the word “return”, wherever it occurs, the word “statement” shall be substituted.

**71. Insertion of new section 271FAA.**—After section 271FA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2015, namely :—

“271FAA. *Penalty for furnishing inaccurate statement of financial transaction or reportable account.*—If a person referred to in clause (k) of sub-section (1) of section 285BA, who is required to furnish a statement under that section, provides inaccurate information in the statement, and where—

(a) the inaccuracy is due to a failure to comply with the due diligence requirement prescribed under sub-section (7) of section 285BA or is deliberate on the part of that person ; or

(b) the person knows of the inaccuracy at the time of furnishing the statement of financial transaction or reportable account, but does not inform the prescribed income-tax authority or such other authority or agency ; or

(c) the person discovers the inaccuracy after the statement of financial transaction or reportable account is furnished and fails to inform and furnish correct information within the time specified under sub-section (6) of section 285BA,

then, the prescribed income-tax authority may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.”.

**72. Amendment of section 271G.**—In section 271G of the Income-tax Act, after the words “the Assessing Officer”, the words, figures and letters “or the Transfer Pricing Officer as referred to in section 92CA” shall be inserted with effect from the 1st day of October, 2014.

**73. Amendment of section 271H.**—In section 271H of the Income-tax Act, in sub-section (1), in the opening portion, for the words “a person shall be liable to pay”, the words “the Assessing Officer may direct that a person shall pay by way of” shall be substituted with effect from the 1st day of October, 2014.

**74. Amendment of section 276D.**—In section 276D of the Income-tax Act, for the words “or with fine equal to a sum calculated at a rate which shall not be less than four rupees or more than ten rupees for every day during which the default continues, or with both”, the words “and with fine” shall be substituted with effect from the 1st day of October, 2014.

**75. Amendment of section 281B.**—In section 281B of the Income-tax Act, in sub-section (2), with effect from the 1st day of October, 2014,—

(i) in the first proviso, for the words “two years”, the words “two years or sixty days after the date of order of assessment or reassessment, whichever is later” shall be substituted ;

(ii) the second and third proviso shall be omitted.

**76. Substitution of new section for section 285BA.**—For section 285BA of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2015, namely :—

**“285BA. Obligation to furnish statement of financial transaction or reportable account.**—(1) Any person, being—

- (a) an assessee ; or
- (b) the prescribed person in the case of an office of Government ; or
- (c) a local authority or other public body or association ; or
- (d) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908 (16 of 1908) ; or
- (e) the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988 (59 of 1988) ; or
- (f) the Post Master General as referred to in clause (j) of section 2 of the Indian Post Office Act, 1898 (6 of 1898) ; or
- (g) the Collector referred to in clause (g) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013) ; or
- (h) the recognised stock exchange referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) ; or
- (i) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934) ; or
- (j) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996) ; or
- (k) a prescribed reporting financial institution,

who is responsible for registering, or, maintaining books of account or other document containing a record of any specified financial transaction or any reportable account as may be prescribed, under any law for the time being in force, shall furnish a statement in respect of such specified financial transaction or such reportable account which is registered or recorded or maintained by him and information relating to which is relevant and required for the purposes of this Act, to the income-tax authority or such other authority or agency as may be prescribed.

(2) The statement referred to in sub-section (1) shall be furnished for such period, within such time and in the form and manner, as may be prescribed.

(3) For the purposes of sub-section (1), “specified financial transaction” means any—

- (a) transaction of purchase, sale or exchange of goods or property or right or interest in a property ; or
- (b) transaction for rendering any service ; or
- (c) transaction under a works contract ; or
- (d) transaction by way of an investment made or an expenditure incurred ; or
- (e) transaction for taking or accepting any loan or deposit,

which may be prescribed :

Provided that the Board may prescribe different values for different transactions in respect of different persons having regard to the nature of such transaction :

Provided further that the value or, as the case may be, the aggregate value of such transactions during a financial year so prescribed shall not be less than fifty thousand rupees.

(4) Where the prescribed income-tax authority considers that the statement furnished under sub-section (1) is defective, he may intimate the defect to the person who has furnished such statement and give him an opportunity of rectifying the defect within a period of thirty days from the date of such intimation or within such further period which, on an application made in this behalf, the said income-tax authority may, in his discretion, allow ; and if the defect is not rectified within the said period of thirty days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this



Act, such statement shall be treated as an invalid statement and the provisions of this Act shall apply as if such person had failed to furnish the statement.

(5) Where a person who is required to furnish a statement under sub-section (1) has not furnished the same within the specified time, the prescribed income-tax authority may serve upon such person a notice requiring him to furnish such statement within a period not exceeding thirty days from the date of service of such notice and he shall furnish the statement within the time specified in the notice.

(6) If any person, having furnished a statement under sub-section (1), or in pursuance of a notice issued under sub-section (5), comes to know or discovers any inaccuracy in the information provided in the statement, he shall within a period of ten days inform the income-tax authority or other authority or agency referred to in sub-section (1), the inaccuracy in such statement and furnish the correct information in such manner as may be prescribed.

(7) The Central Government may, by rules made under this section, specify—

(a) the persons referred to in sub-section (1) to be registered with the prescribed income-tax authority ;

(b) the nature of information and the manner in which such information shall be maintained by the persons referred to in clause (a); and

(c) the due diligence to be carried out by the persons for the purpose of identification of any reportable account referred to in sub-section (1).”.

#### Wealth-tax

**77. Amendment of Act 27 of 1957.**—In section 22A of the Wealth-tax Act, in clause (b), with effect from the 1st day of October, 2014,—

(A) the proviso shall be omitted ;

(B) in the *Explanation*,—

(a) in clause (i), for the words, brackets and figures “clause (i) of the proviso shall, in case where a notice under section 17”, the words and figures “section 17 shall, in case where a notice under the said section” shall be substituted ;

(b) for clause (ii), the following clause shall be substituted, namely :—

“(ii) a proceeding for making fresh assessment in pursuance of an order under section 23A or section 24 or section 25, setting aside or cancelling an assessment shall be deemed to have been commenced from the date on which such order, setting aside or cancelling an assessment was passed ;” ;

(c) in clause (iv), for the words, brackets and figures “clause (i) or clause (ii) of the proviso or clause (iii) of the *Explanation*”, the words, brackets and figures “clause (i) or clause (ii) or clause (iii)” shall be substituted.

### CHAPTER IV

#### INDIRECT TAXES

##### Customs

**78. Substitution of new authorities.**—In the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the Customs Act), or in any other law for the time being in force, the reference to any authority specified in column (1) of the Table below shall be substituted by reference to the authority or authorities specified in the corresponding entry in column (2) of the said Table and such consequential changes as the rules of grammar may require shall also be made :—

TABLE

SI. No.	(1)	(2)
1.	Chief Commissioner of Customs	Principal Chief Commissioner of Customs or Chief Commissioner of Customs
2.	Commissioner of Customs	Principal Commissioner of Customs or Commissioner of Customs.

**79. Amendment of section 3.**—In the Customs Act, in section 3, for clauses (a), (b), (c), (cc), (d), (e) and (f), the following clauses shall be substituted, namely :—

- “(a) Principal Chief Commissioners of Customs ;
- (b) Chief Commissioners of Customs ;
- (c) Principal Commissioners of Customs ;
- (d) Commissioners of Customs ;
- (e) Commissioners of Customs (Appeals) ;
- (f) Joint Commissioners of Customs ;
- (g) Deputy Commissioners of Customs ;
- (h) Assistant Commissioners of Customs ;
- (i) such other class of officers of customs as may be appointed for the purposes of this Act.”.

**80. Amendment of section 15.**—In the Customs Act, in section 15, in sub-section (1), in the proviso, after the words “the aircraft”, the words “or the vehicle” shall be inserted.

**81. Amendment of section 25.**—In the Customs Act, in section 25, after sub-section (6), the following sub-sections shall be inserted, namely :—

“(7) The mineral oils (including petroleum and natural gas) extracted or produced in the continental shelf of India or exclusive economic zone of India as referred to in section 6 and section 7, respectively, of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976), and imported prior to the 7th day of February, 2002 shall be deemed to be and shall always be deemed to have been exempted from the whole of the duties of customs leviable on such mineral oils and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, no suit or other proceedings in respect of such mineral oils shall be maintained or continued in any court, tribunal or other authority.

(8) Notwithstanding the exemption provided under sub-section (7), no refund of duties of customs paid in respect of the mineral oils specified therein shall be made.”.

**82. Amendment of section 46.**—In the Customs Act, in section 46, in sub-section (3),—

- (i) the first proviso shall be omitted ;
- (ii) for the second proviso, the following proviso shall be substituted, namely :—

“Provided that a bill of entry may be presented even before the delivery of such manifest or report, if the vessel or the aircraft or the vehicle by which the goods have been shipped for importation into India is expected to arrive within thirty days from the date of such presentation.”.

**83. Amendment of section 127A.**—In the Customs Act, in section 127A, in clause (f), for the words “Customs and Central Excise Settlement Commission”, the words “Customs, Central Excise and Service Tax Settlement Commission” shall be substituted.

**84. Amendment of section 127B.**—In the Customs Act, in section 127B,—

- (i) in sub-section (1), in the first proviso, for clause (a), the following clause shall be substituted, namely :—

“(a) the applicant has filed a bill of entry, or a shipping bill, or a bill of export, or made a baggage declaration, or a label or declaration accompanying the goods imported or exported through post or courier, as the case may be, and in relation to such document or documents, a show cause notice has been issued to him by the proper officer ;” ;

- (ii) in clause (c), for the word, figures and letters “section 28AB”, the word, figures and letters “section 28 AA” shall be substituted ;

- (iii) sub-section (2) shall be omitted.

**85. Amendment of section 127L.**—In the Customs Act, in section 127L, in sub-section (1), in clause (i), the following *Explanation* shall be inserted, namely :—

*“Explanation.*— In this clause, the concealment of particulars of duty liability relates to any such concealment made from the officer of customs.”.

**86. Amendment of section 129A.**—In the Customs Act, in section 129A,—

(i) in sub-section (1), in the second proviso, for the words “fifty thousand rupees”, the words “two lakh rupees” shall be substituted ;

(ii) in sub-section (1B), in clause (i), for the words “by notification in the *Official Gazette*”, the words “by order” shall be substituted ;

(iii) in sub-section (7), in clause (a), the words “for grant of stay or” shall be omitted.

**87. Amendment of section 129B.**—In the Customs Act, in section 129B, in sub-section (2A), the first, second and third proviso shall be omitted.

**88. Amendment of section 129D.**—In the Customs Act, in section 129D, in sub-section (3), the following proviso shall be inserted, namely :—

“Provided that the Board may, on sufficient cause being shown, extend the said period by another thirty days.”.

**89. Substitution of new section for section 129E.**—In the Customs Act, for section 129E, the following section shall substituted, namely :—

“129E. *Deposit of certain percentage of duty demanded or penalty imposed before filing appeal.*—The Tribunal or the Commissioner (Appeals), as the case may be, shall not entertain any appeal,—

(i) under sub-section (1) of section 128, unless the appellant has deposited seven and a half per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of a decision or an order passed by an officer of customs lower in rank than the Commissioner of Customs ;

(ii) against the decision or order referred to in clause (a) of sub-section (1) of section 129A, unless the appellant has deposited seven and a half per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against ;

(iii) against the decision or order referred to in clause (b) of sub-section (1) of section 129A, unless the appellant has deposited ten per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against :

Provided that the amount required to be deposited under this section shall not exceed rupees ten crores :

Provided further that the provisions of this section shall not apply to the stay applications and appeals pending before any appellate authority prior to the commencement of the Finance (No. 2) Act, 2014.”.

**90. Substitution of new section for section 129EE.**—In the Customs Act, for section 129EE, the following section shall be substituted, namely :—

“129EE. *Interest on delayed refund of amount deposited under section 129E.*—Where an amount deposited by the appellant under section 129E is required to be refunded consequent upon the order of the appellate authority, there shall be paid to the appellant interest at such rate, not below five per cent, and not exceeding thirty-six per cent. per annum as is for the time being fixed by the Central Government, by notification in the *Official Gazette*, on such amount from the date of payment of the amount till, the date of refund of such amount :

Provided that the amount deposited under section 129E, prior to the commencement of the Finance (No. 2) Act, 2014, shall continue to be governed by the provisions of section 129EE as it stood before the commencement of the said Act.”.

**91. Amendment of section 131BA.**—In the Customs Act, in section 131BA, in sub-section (4), for the words “The Appellate Tribunal or court”, the words and brackets “The Commissioner (Appeals) or the Appellate Tribunal or the court” shall be substituted.

**92. Amendment of notification issued under section 25 of Customs Act.**—(1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 185 (E), dated the 17th March, 2012, issued under sub-section (1) of section 25 of the Customs Act, as specified in column (1) of the Second Schedule, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of that Schedule, on and from and up to the corresponding date specified in column (3) of the said Schedule.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 25 of the Customs Act retrospectively, at all material times.

(3) The refund shall be made of all such duty of customs which has been collected but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times, subject to the provision of section 27 of the Customs Act.

(4) Notwithstanding anything contained in section 27 of the Customs Act, an application for the claim of refund of duty of customs under sub-section (3) shall be made within the period of six months from the date on which the Finance (No. 2) Bill, 2014 receives the assent of the President.

(5) No act or omission on the part of any person shall be punishable as an offence which would not have been so punishable had the notification referred to in sub-section (1) not been amended retrospectively.

*Explanation.*— For the purposes of sub-section (1), the “corresponding date”, in relation to tariff items specified against S.No. 141, means the 8th February, 2013 to 10th July, 2014 (both days inclusive).

### *Customs Tariff*

**93. Amendment of section 8B.**—In the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), in section 8B, in sub-section (2A),—

(a) for the portion beginning with the words “unless specifically made applicable” and ending with the words “in a special economic zone”, the following shall be substituted, namely :—

“shall not apply to articles imported by a hundred per cent. export-oriented undertaking or a unit in a special economic zone unless,—

(i) specifically made applicable in such notifications or such impositions, as the case may be ; or

(ii) the article imported is either cleared as such into the domestic tariff area or used in the manufacture of any goods that are cleared into the domestic tariff area and in such cases safeguard duty shall be levied on that portion of the article so cleared or so used as was leviable when it was imported into India.” ;

(b) in the *Explanation*, the words “free trade zone” shall be omitted.

**94. Amendment of First Schedule.**—In the Customs Tariff Act, the First Schedule shall be amended in the manner specified in the Third Schedule.

### *Excise*

**95. Substitution of new authorities.**—In the Central Excise Act, 1944 (1 of 1944) (hereinafter referred to as the Central Excise Act) or in Chapter V of the Finance Act, 1994 (32 of 1994) or in any other law for the time being in force, the reference to any authority specified in column (1) of

the Table below shall be substituted by reference to the authority or authorities specified in the corresponding entry in column (2) of the said Table and such consequential changes as the rules of grammar may require shall also be made :—

TABLE

SI. No.	(1)	(2)
1.	Chief Commissioner of Central Excise	Principal Chief Commissioner of Central Excise or Chief Commissioner of Central Excise
2.	Commissioner of Central Excise	Principal Commissioner of Central Excise or Commissioner of Central Excise.

**96. Amendment of section 2.**—In the Central Excise Act in section 2, in clause (b), for the words “Chief Commissioner of Central Excise”, the words “Principal Chief Commissioner of Central Excise, Chief Commissioner of Central Excise, Principal Commissioner of Central Excise” shall be substituted.

**97. Insertion of new sections 15A and 15B.**—In the Central Excise Act, after section 15, the following sections shall be inserted, namely :—

**“15A. Obligation to furnish information return.**—(1) Any person, being—

- (a) an assessee ; or
- (b) a local authority or other public body or association ; or
- (c) any authority of the State Government responsible for the collection of value added tax or sales tax ; or
- (d) an income tax authority appointed under the provisions of the Income-tax Act, 1961( 43 of 1961) ; or
- (e) a banking company within the meaning of clause (a) of section 45 A of the Reserve Bank of India Act, 1934 (2 of 1934) ; or
- (f) a State Electricity Board or an electricity distribution or transmission licensee under the Electricity Act, 2003 (36 of 2003), or any other entity entrusted, as the case may be, with such functions by the Central Government or the State Government ; or
- (g) the Registrar or Sub-Registrar appointed under section 6 of the Registration Act, 1908 (16 of 1908) ; or
- (h) a Registrar within the meaning of the Companies Act, 2013 (18 of 2013) ; or
- (i) the registering authority empowered to register motor vehicles under Chapter IV of the Motor Vehicles Act, 1988 (59 of 1988) ; or
- (j) the Collector referred to in clause (c) of section 3 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (30 of 2013) ; or
- (k) the recognised stock exchange referred to in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) ; or
- (l) a depository referred to in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996 (22 of 1996) ; or
- (m) an officer of the Reserve Bank of India, constituted under section 3 of the Reserve Bank of India Act, 1934 (2 of 1934),

who is responsible for maintaining record of registration or statement of accounts or any periodic return or document containing details of payment of tax and other details or transaction of goods or services or transactions related to a bank account or consumption of

electricity or transaction of purchase, sale or exchange of goods or property or right or interest in a property, under any law for the time being in force, shall furnish an information return of the same in respect of such periods, within such time, form (including electronic form) and manner, to such authority or agency as may be prescribed.

(2) Where the prescribed authority considers that the information submitted in the information return is defective, he may intimate the defect to the person who has furnished such information return and give him an opportunity of rectifying the defect within a period of thirty days from the date of such intimation or within such further period which, on an application made in this behalf, the prescribed authority may allow and if the defect is not rectified within the said period of thirty days or, as the case may be, the further period so allowed, then, notwithstanding anything contained in any other provision of this Act, such information return shall be treated as not submitted and the provisions of this Act shall apply.

(3) Where a person who is required to furnish information return has not furnished the same within the time specified in sub-section (1) or sub-section (2), the prescribed authority may serve upon him a notice requiring furnishing of such information return within a period not exceeding ninety days from the date of service of the notice and such person shall furnish the information return.

**15B.** *Penalty for failure to furnish information return.*—If a person who is required to furnish an information return under section 15A fails to do so within the period specified in the notice issued under sub-section (3) thereof, the prescribed authority may direct that such person shall pay, by way of penalty, a sum of one hundred rupees for each day of the period during which the failure to furnish such return continues.”.

**98.** *Amendment of section 31.*—In the Central Excise Act, in section 31, in clause (g), for the words “Customs and Central Excise Settlement Commission”, the words “Customs, Central Excise and Service Tax Settlement Commission” shall be substituted.

**99.** *Amendment of section 32.*—In the Central Excise Act, in section 32, in sub-section (1), for the words “the Customs and Central Excise Settlement Commission”, the words “the Customs, Central Excise and Service Tax Settlement Commission” shall be substituted.

**100.** *Amendment of section 32E.*—In the Central Excise Act, in section 32E,—

(i) in sub-section (1),—

(a) in the first proviso, in clause (d), for the word, figures and letters “section 11AB”, the word, figures and letters “section 11AA” shall be substituted ;

(b) in the second proviso, for the words “Provided further that”, the following shall be substituted, namely :—

“Provided further that the Settlement Commission, if it is satisfied that the circumstances exist for not filing the returns referred to in clause (a) of the first proviso to sub-section (1), may after recording the reasons therefor, allow the applicant to make such application :

Provided also that” ;

(ii) sub-section (2) shall be omitted.

**101.** *Amendment of section 32-O.*—In the Central Excise Act, in section 32-O, in sub-section (1), in clause (i), the following *Explanation* shall be inserted, namely :—

“*Explanation.*— In this clause, the concealment of particulars of duty liability relates to any such concealment made from the Central Excise Officer.”.

**102.** *Amendment of section 35B.*—In the Central Excise Act, in section 35B,—

(a) in sub-section (1), in the second proviso, for the words “fifty thousand rupees”, the words “two lakh rupees” shall be substituted ;

(b) in sub-section (1B), in clause (i), for the words “by notification in the *Official Gazette*”, the words “by order” shall be substituted ;

(c) in sub-section (7), in clause (a), the words “for grant of stay or” shall be omitted.

**103. Amendment of section 35C.**—In the Central Excise Act, in section 35C, in sub-section (2A), the first, second and third proviso shall be omitted.

**104. Amendment of section 35E.**—In the Central Excise Act, in section 35E, in sub-section (3), the following proviso shall be inserted, namely :—

“Provided that the Board may, on sufficient cause being shown, extend the said period by another thirty days.”.

**105. Substitution of new section for section 35F.**—In the Central Excise Act, for section 35F, the following section shall be substituted, namely :—

**‘35F. Deposit of certain percentage of duty demanded or penalty imposed before filing appeal.**—The Tribunal or the Commissioner (Appeals), as the case may be, shall not entertain any appeal—

(i) under sub-section (1) of section 35, unless the appellant has deposited seven and a half per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of a decision or an order passed by an officer of Central Excise lower in rank than the Commissioner of Central Excise ;

(ii) against the decision or order referred to in clause (a) of sub-section (1) of section 35B, unless the appellant has deposited seven and a half per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against ;

(iii) against the decision or order referred to in clause (b) of sub-section (1) of section 35B, unless the appellant has deposited ten per cent. of the duty, in case where duty or duty and penalty are in dispute, or penalty, where such penalty is in dispute, in pursuance of the decision or order appealed against :

Provided that the amount required to be deposited under this section shall not exceed rupees ten crores :

Provided further that the provisions of this section shall not apply to the stay applications and appeals pending before any appellate authority prior to the commencement of the Finance (No.2) Act, 2014.

*Explanation.*— For the purposes of this section “duty demanded” shall include,—

(i) amount determined under section 11D ;

(ii) amount of erroneous Cenvat credit taken ;

(iii) amount payable under rule 6 of the Cenvat Credit Rules, 2001 or the Cenvat Credit Rules, 2002 or the Cenvat Credit Rules, 2004.’.

**106. Substitution of new section for section 35FF.**—In the Central Excise Act, for section 35FF, the following section shall be substituted, namely :—

**“35FF. Interest on delayed refund of amount deposited under section 35F.**—Where an amount deposited by the appellant under section 35F is required to be refunded consequent upon the order of the appellate authority, there shall be paid to the appellant interest at such rate, not below five per cent. and not exceeding thirty-six per cent. per annum as is for the time being fixed by the Central Government, by notification in the *Official Gazette*, on such amount from the date of payment of the amount till, the date of refund of such amount :

Provided that the amount deposited under section 35F, prior to the commencement of the Finance (No. 2) Act, 2014, shall continue to be governed by the provisions of section 35FF as it stood before the commencement of the said Act.”.

**107. Amendment of section 35L.**—In the Central Excise Act, section 35L shall be numbered as sub-section (1) thereof, and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely :—

“(2) For the purposes of this Chapter, the determination of any question having a relation to the rate of duty shall include the determination of taxability or excisability of goods for the purpose of assessment.”.

**108. Amendment of section 35R.**—In the Central Excise Act, in section 35R, in sub-section (4), for the words “The Appellate Tribunal or court”, the words “The Commissioner (Appeals) or the Appellate Tribunal or court” shall be substituted.

**109. Amendment of Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008.**—(1) In the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008, as published in the *Official Gazette vide* notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 127 (E), dated the 1st July, 2008, rule 8 shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Fourth Schedule, on and from the date specified in column (3) of that Schedule.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to make rules with retrospective effect as if the Central Government had the power to make rules under sub-sections (2) and (3) of section 3 A of the Central Excise Act, retrospectively, at all material times.

(3) The refund shall be made of all such duty of excise which has been collected but which would not have been so collected, had the rule referred to in sub-section (1), been in force at all material times, subject to the provisions of section 11B of the Central Excise Act.

(4) Notwithstanding anything contained in section 11B of the Central Excise Act, an application for the claim of refund of duty of excise under sub-section (3) shall be made within period of six months from the date on which the Finance (No. 2) Bill, 2014 receives the assent of the President.

(5) No act or omission on the part of any person shall be punishable as an offence which would not have been so punishable had the rule referred to in sub-section (1) not been amended retrospectively.

**110. Amendment of notification number G.S.R. 95(E), dated 1st March, 2006 issued under section 5A of Central Excise Act.**—(1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 95 (E), dated the 1st March, 2006 (herein referred to as the first notification) which was superseded *vide* number G.S.R. 163 (E), dated the 17th March, 2012 (herein referred to as the second notification), issued under sub-section (1) of section 5A of the Central Excise Act, shall, in so far as it relates to the first notification, stand amended and shall be deemed to have been amended retrospectively, in the manner as specified in column (2) of the Fifth Schedule, on and from—

(a) the 29th June, 2010 and upto 16th March, 2012 (both days inclusive) in relation to Chapter 54 or Chapter 55 specified therein, covered under the first notification, that is the date prior to the date of the second notification ; and

(b) the 1st March, 2011 and upto 16th March, 2012 (both days inclusive) in relation to Chapter 71 specified therein, covered under the first notification, that is the date prior to the date of the second notification,

as specified in column (3) of the Schedule, against the notification specified in column (1) of that Schedule.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the said notification with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 5A of the Central Excise Act, retrospectively, at all material times.



(3) The refund shall be made of all such duty of excise which has been collected but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times, subject to the provisions of section 11B of the Central Excise Act.

(4) Notwithstanding anything contained in section 11B of the Central Excise Act, an application for the claim of refund of duty of excise under sub-section (3) shall be made within six months from the date on which the Finance (No. 2) Bill, 2014 receives the assent of the President.

(5) No act or omission on the part of any person shall be punishable as an offence which would not have been so punishable had the said notification not been amended retrospectively.

**111.** *Amendment of notification number G.S.R. 163(E), dated 17th March 2012 issued under section 5A of Central Excise Act.*—(1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 163 (E), dated the 17th March, 2012, issued under sub-section (1) of section 5A of the Central Excise Act, as specified in column (1) of the Sixth Schedule, shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of that Schedule, on and from and up to the corresponding dates specified in column (3) of the said Schedule.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the said notification with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 5A of the Central Excise Act, retrospectively, at all material times.

(3) The refund shall be made of all such duty of excise which has been collected but which would not have been so collected, had the notification referred to in sub-section (1) been in force at all material times, subject to the provisions of section 11B of the Central Excise Act.

(4) Notwithstanding anything contained in section 11B of the Central Excise Act, an application for the claim of refund of duty of excise under sub-section (3) shall be made within six months from the date on which the Finance (No. 2) Bill, 2014 receives the assent of the President.

(5) No act or omission on the part of any person shall be punishable as an offence which would not have been so punishable had the said notification not been amended retrospectively.

*Explanation.*— For the purposes of sub-section (1), the “corresponding date” in relation to—

(i) tariff items specified against S.No.81, means the 8th February, 2013 to 10th July, 2014 (both days inclusive); and

(ii) Chapters specified against S.No.172A, means the 17th March, 2012 to 10th July, 2014 (both days inclusive).

**112.** *Amendment of third Schedule.*—In the Central Excise Act, the Third Schedule shall be amended in the manner specified in the Seventh Schedule.

### *Central Excise Tariff*

**113.** *Amendment of First Schedule.*—In the Central Excise Tariff Act, 1985 (5 of 1986), the First Schedule shall be amended in the manner specified in the Eighth Schedule.

## CHAPTER V

### SERVICE TAX

**114.** *Amendment of Act 32 of 1994.*—In the Finance Act, 1994,—

(A) in section 65B, with effect from such date as the Central Government may, by notification in the *Official Gazette*, appoint,—

(i) in clause (32), after the words “the rules made thereunder”, the words “but does not include radio taxi” shall be inserted ;

(ii) after clause (39), the following clause shall be inserted, namely :—

“(39a) “print media” means,—

(i) “book” as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867), but does not include business directories, yellow pages and trade catalogues which are primarily meant for commercial purposes ;

(ii) “newspaper” as defined in sub-section (1) of section 1 of the Press and Registration of Books Act, 1867 (25 of 1867) ;’ ;

(B) in section 66D, with effect from such date as the Central Government may, by notification in the *Official Gazette*, appoint,—

(i) for clause (g), the following clause shall be substituted, namely :—

“(g) selling of space for advertisements in print media ;” ;

(ii) in clause (o), for sub-clause (vi), the following sub-clause shall be substituted, namely :—

“(vi) metered cabs or auto rickshaws ;” ;

(C) in section 67A, for the *Explanation*, the following *Explanation* shall be substituted with effect from such date as the Central Government may, by notification in the *Official Gazette*, appoint, namely :—

‘*Explanation.*—For the purposes of this section, “rate of exchange” means the rate of exchange determined in accordance with such rules as may be prescribed.’ ;

(D) in section 73, after sub-section (4A), the following sub-section shall be inserted, namely :—

“(4B) The Central Excise Officer shall determine the amount of service tax due under sub-section (2)—

(a) within six months from the date of notice where it is possible to do so, in respect of cases whose limitation is specified as eighteen months in sub-section (1) ;

(b) within one year from the date of notice, where it is possible to do so, in respect of cases falling under the proviso to sub-section (1) or the proviso to sub-section (4A).” ;

(E) in section 80, in sub-section (1), for the words, figures and brackets “section 77 or first proviso to sub-section (1) of section 78”, the words and figures “or section 77” shall be substituted ;

(F) in section 82, for sub-section (1), the following sub-section shall be substituted, namely :—

“(1) Where the Joint Commissioner of Central Excise or Additional Commissioner of Central Excise or such other Central Excise officer as may be notified by the Board has reasons to believe that any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Chapter, are secreted in any place, he may authorise in writing any Central Excise officer to search for and seize or may himself search and seize such documents or books or things.” ;

(G) in section 83,—

(i) for the words, brackets, figures and letter “sub-section (2) of section 9A”, the words, brackets, figures and letters “sub-section (2A) of section 5A, sub-section (2) of section 9A” shall be substituted ;

(ii) for section “15”, the sections “15, 15A, 15B” shall be substituted ;

(H) in section 86,—

(i) in sub-section (1A), in clause (i), for the words “by notification in the *Official Gazette*”, the words “by order” shall be substituted ;

(ii) in sub-section (6A), in clause (a), the words “for grant of stay or” shall be omitted ;

(I) in section 87, in clause (c), the following proviso shall be inserted, namely :—

“Provided that where the person (hereinafter referred to as predecessor) from whom the service tax or any other sums of any kind, as specified in this section, is recoverable or due, transfers or otherwise disposes of his business or trade in whole or in part, or effects any change in the ownership thereof, in consequence of which he is succeeded in such business or trade by any other person, all goods, in the custody or possession of the person so succeeding may also be attached and sold by such officer empowered by the Central Board of Excise and Customs, after obtaining the written approval of the Commissioner of Central Excise, for the purposes of recovering such service tax or other sums recoverable or due from such predecessor at the time of such transfer or otherwise disposal or change.” ;

(J) in section 94, in sub-section (2), for clause (k), the following clauses shall be substituted, namely :—

“(k) imposition, on persons liable to pay service tax, for the proper levy and collection of the tax, of duty of furnishing information, keeping records and the manner in which such records shall be verified ;

(l) make provisions for withdrawal of facilities or imposition of restrictions (including restrictions on utilisation of CENVAT credit) on provider of taxable service or exporter, for dealing with evasion of tax or misuse of CENVAT credit ;

(m) authorisation of the Central Board of Excise and Customs or Chief Commissioners of Central Excise to issue instructions, for any incidental or supplemental matters for the implementation of the provisions of this Act ;

(n) any other matter which by this Chapter is to be or may be prescribed.” ;

(K) in section 95, after sub-section (1J), the following sub-section shall be inserted, namely :—

“(1K) If any difficulty arises in giving effect to section 114 of the Finance (No. 2) Act, 2014, in so far as it relates to amendments made by the said Act, in this Chapter, the Central Government may, by an order, published in the *Official Gazette*, not inconsistent with the provisions of this Chapter, remove the difficulty :

Provided that no such order shall be made after the expiry of a period of one year from the date on which the Finance (No. 2) Bill, 2014 receives the assent of the President.” ;

(L) after section 99, the following section shall be inserted, namely :—

“**100.** *Special provision for taxable services provided by Employees’ State Insurance Corporation.*—Notwithstanding anything contained in section 66 as it stood prior to the 1st day of July, 2012, no service tax shall be levied or collected in respect of taxable services provided by the Employees’ State Insurance Corporation set up under the Employees’ State Insurance Act, 1948 (34 of 1948), during the period prior to the 1st day of July, 2012.”.

## CHAPTER VI

### *Miscellaneous*

**115.** *Amendment of Act 14 of 2001.*—In the Seventh Schedule to the Finance Act, 2001, the tariff item 2402 20 60 and the entries relating thereto shall be omitted.

**116.** *Amendment of section 13 of Act 58 of 2002.*—In the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, in section 13, in sub-section (1), for the words, figures and letters “the 31st day of March, 2014”, the words, figures and letters “the 31st day of March, 2019” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2014.

**117. Amendment of Finance (No. 2) Act, 2004.**—In the Finance (No. 2) Act, 2004 (23 of 2004), in Chapter VII, with effect from the 1st day of October, 2014,—

(A) in section 97,—

(i) after clause (3), the following clause shall be inserted, namely :—

“(3A) “business trust” shall have the meaning assigned to it in clause (13A) of section 2 of the Income-tax Act, 1961 (43 of 1961);” ;

(ii) in clause (13), in sub-clause (a), after the words “unit of an equity oriented fund”, the words “or a unit of a business trust” shall be inserted ;

(B) in section 98, in the Table, in column (2),—

(I) in the entry at Sl. No. 1,—

(i) after the words “equity share in a company”, the words “or a unit of a business trust” shall be inserted ;

(ii) in clause (b), after the word “share” at both the places where it occurs, the words “or unit” shall be inserted ;

(II) in the entry at Sl. No. 2,—

(i) after the words “equity share in a company”, the words “or a unit of a business trust” shall be inserted ;

(ii) in clause (b), after the word “share” at both the places where it occurs, the words “or unit” shall be inserted ;

(III) in the entry at Sr.No. 3, after the words “unit of an equity oriented fund”, the words “or a unit of a business trust” shall be inserted.

**118. Amendment of Act 18 of 2005.**—In the Finance Act, 2005—

(a) in section 85, in the marginal heading, for the brackets and words “(pan masala and certain tobacco products)”, the words “on certain goods” shall be substituted ;

(b) the Seventh Schedule shall be amended in the manner specified in the Ninth Schedule.

**119. Amendment of Act, 14 of 2010.**—In the Finance Act, 2010, in section 83, in sub-section (3), for the portion beginning with the words “for the purposes of” and ending with the words “for any other purpose relating thereto”, the following shall be substituted, namely :—

“for the purposes of financing and promoting clean environment and energy initiatives, funding research in the area of clean environment or clean energy, or for any other purpose relating thereto.”.

**120. Repeal.**—The Finance Act, 2014 (11 of 2014) is hereby repealed and shall be deemed never to have been enacted.

## THE FIRST SCHEDULE

(See section 2)

### PART I

#### INCOME-TAX

#### Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

#### *Rates of income-tax*

- |   |  |
|---|--|
| (1) where the total income does not exceed Rs. 2,00,000.                          | <i>Nil</i> ;   |
| (2) where the total income exceeds Rs. 2,00,000 but does not exceed Rs. 5,00,000  | 10 per cent. of the amount by which the total income exceeds Rs. 2,00,000 ;                          |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 30,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000 ;   |
| (4) where the total income exceeds Rs. 10,00,000                                  | Rs. 1,30,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

#### *Rates of income-tax*

- |   |  |
|---|--|
| (1) where the total income does not exceed Rs. 2,50,000                           | <i>Nil</i> ;   |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000  | 10 per cent. of the amount by which the total income exceeds Rs. 2,50,000 ;                          |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | Rs. 25,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000 ;   |
| (4) where the total income exceeds Rs. 10,00,000                                  | Rs. 1,25,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

#### *Rates of income-tax*

- |   |  |
|---|--|
| (1) where the total income does not exceed Rs. 5,00,000                           | <i>Nil</i> ;   |
| (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000 ;                          |
| (3) where the total income exceeds Rs. 10,00,000                                  | Rs. 1,00,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

#### *Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or

every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax :

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

#### *Paragraph B*

In the case of every co-operative society,—

##### *Rates of income-tax*

- |  |  |
|--|--|
| (1) where the total income does not exceed Rs. 10,000                        | 10 per cent. of the total income ;   |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 | Rs. 1,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs.10,000 ; |
| (3) where the total income exceeds Rs. 20,000                                | Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000. |

##### *Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax :

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

#### *Paragraph C*

In the case of every firm,—

##### *Rate of income-tax*

On the whole of the total income 30 per cent.

##### *Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax :

Provided that in the case of every firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

#### *Paragraph D*

In the case of every local authority,—

##### *Rate of income-tax*

On the whole of the total income 30 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent. of such income-tax :

Provided that in the case of every local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph E*

In the case of a company,—

*Rates of income-tax*

- |   |                                    |
|---|------------------------------------|
| I. In the case of a domestic company  | 30 per cent. of the total income ; |
| II. In the case of a company other than a domestic company—   |                                    |
| (i) on so much of the total income as consists of,—   |                                    |
| (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976 ; or                            |                                    |
| (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976, |                                    |
| and where such agreement has, in either case, been approved by the Central Government   | 50 per cent. ;                     |
| (ii) on the balance, if any, of the total income  | 40 per cent. ;                     |

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every company, be increased by a surcharge for the purposes of the Union calculated,—

- (i) in the case of every domestic company—
  - (a) having a total income exceeding one crore rupees, but not exceeding ten crore rupees, at the rate of five per cent. of such income-tax ; and
  - (b) having a total income exceeding ten crore rupees, at the rate of ten per cent. of such income-tax ;
- (ii) in the case of every company other than a domestic company—
  - (a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent. of such income-tax ; and
  - (b) having a total income exceeding ten crore rupees, at the rate of five per cent. of such income-tax :

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees :

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of ten crore rupees by more than the amount of income that exceeds ten crore rupees.

## PART II

## RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates :—

	<i>Rate of income-tax</i>
1. In the case of a person other than a company—	
(a) where the person is resident in India—	
(i) on income by way of interest other than “Interest on securities”	10 per cent. ;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent. ;
(iii) on income by way of winnings from horse races	30 per cent. ;
(iv) on income by way of insurance commission	10 per cent. ;
(v) on income by way of interest payable on—	10 per cent. ;
(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act ;	
(B) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder ;	
(C) any security of the Central or State Government ;	
(vi) on any other income	10 per cent. ;
(b) where the person is not resident in India—	
(i) in the case of a non-resident Indian—	
(A) on any investment income	20 per cent. ;
(B) on income by way of long-term capital gains referred to in section 115E or sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent. ;
(C) on income by way of short-term capital gains referred to in section 111A	15 per cent. ;
(D) on other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent. ;
(E) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent. ;
(F) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first	25 per cent. ;



*Rate of income-tax*

proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India

(G) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(i)(F)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 25 per cent. ;

(H) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 25 per cent. ;

(I) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort 30 per cent. ;

(J) on income by way of winnings from horse races 30 per cent. ;

(K) on the whole of the other income 30 per cent. ;

(ii) in the case of any other person—

(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC) 20 per cent. ;

(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India 25 per cent. ;

(C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii)(B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy 25 per cent. ;

*Rate of income-tax*

(D) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	25 per cent. ;
(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent. ;
(F) on income by way of winnings from horse races	30 per cent. ;
(G) on income by way of short-term capital gains referred to in section 111A	15 per cent. ;
(H) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112	10 per cent. ;
(I) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent. ;
(J) on the whole of the other income	30 per cent. ;
2. In the case of a company—	
(a) where the company is a domestic company—	
(i) on income by way of interest other than “Interest on securities”	10 per cent. ;
(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent. ;
(iii) on income by way of winnings from horse races	30 per cent. ;
(iv) on any other income	10 per cent. ;
(b) where the company is not a domestic company—	
(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent. ;
(ii) on income by way of winnings from horse races	30 per cent. ;
(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in section 194LB or section 194LC)	20 per cent. ;
(iv) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India	25 per cent. ;

*Rate of income-tax*

(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976 50 per cent. ;

(B) where the agreement is made after the 31st day of March, 1976 25 per cent. ;

(vi) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—

(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976 50 per cent. ;

(B) where the agreement is made after the 31st day of March, 1976 25 per cent. ;

(vii) on income by way of short-term capital gains referred to in section 111A 15 per cent. ;

(viii) on income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of section 112 10 per cent. ;

(ix) on income by way of other long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10] 20 per cent. ;

(x) on any other income 40 per cent. ;

*Explanation.*— For the purpose of item 1(b)(i) of this Part, “investment income” and “non-resident Indian” shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

*Surcharge on income-tax*

The amount of income-tax deducted in accordance with the provisions of—

(i) item 1 of this Part, shall be increased by a surcharge, for the purposes of the Union, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act or co-operative society or firm or local authority, being a non-resident, calculated at the rate of ten per cent, of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees ;

(ii) item 2 of this Part, shall be increased by a surcharge, for purposes of the Union, in the case of every company other than a domestic company, calculated,—

(a) at the rate of two per cent, of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees but does not exceed ten crore rupees ; and

(b) at the rate of five per cent, of such income-tax where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds ten crore rupees.

## PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING  
INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD  
“SALARIES” AND COMPUTING “ADVANCE TAX”

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174 A or section 175 or sub-section (2) of section 176 of the said Act or deducted from, or paid on, from income chargeable under the head “Salaries” under section 192 of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, “advance tax” [not being “advance tax” in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or section 115JC or Chapter XII-FA or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such “advance tax” in respect of any income chargeable to tax under section 115 A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115B or section 115BB or section 115BBA or section 115BBC or section 115BBD or section 115BBE or section 115E or section 115JB or section 115JC] shall be charged, deducted or computed at the following rate or rates :—

*Paragraph A*

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

*Rates of income-tax*

- |  |  |
|--|--|
| (1) where the total income does not exceed Rs. 2,50,000.                           | <i>Nil</i> ;   |
| (2) where the total income exceeds Rs. 2,50,000 but does not exceed Rs. 5,00,000.  | 10 per cent. of the amount by which the total income exceeds Rs. 2,50,000 ;                          |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000. | Rs. 25,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000 ;   |
| (4) where the total income exceeds Rs. 10,00,000                                   | Rs. 1,25,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the previous year,—

*Rates of income-tax*

- |  |  |
|--|--|
| (1) where the total income does not exceed Rs. 3,00,000.                           | <i>Nil</i> ;   |
| (2) where the total income exceeds Rs. 3,00,000 but does not exceed Rs. 5,00,000.  | 10 per cent. of the amount by which the total income exceeds Rs. 3,00,000 ;                          |
| (3) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000. | Rs. 20,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000 ;   |
| (4) where the total income exceeds Rs. 10,00,000                                   | Rs. 1,20,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the previous year,—

*Rates of income-tax*

- |  |  |
|--|--|
| (1) where the total income does not exceed Rs. 5,00,000.                           | <i>Nil</i> ;   |
| (2) where the total income exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000. | 20 per cent. of the amount by which the total income exceeds Rs. 5,00,000 ;                          |
| (3) where the total income exceeds Rs. 10,00,000 by                                | Rs. 1,00,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 10,00,000. |

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent, of such income-tax :

Provided that in the case of persons mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph B*

In the case of every co-operative society,—

*Rates of income-tax*

- |  |   |
|--|---|
| (1) where the total income does not exceed Rs. 10,000                        | 10 per cent. of the total income ;  |
| (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 | Rs. 1,000 <i>plus</i> 20 per cent. of the amount by which the total income exceeds Rs. 10,000 ; |
| (3) where the total income exceeds Rs. 20,000                                | Rs. 3,000 <i>plus</i> 30 per cent. of the amount by which the total income exceeds Rs. 20,000.  |

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every co-operative society, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent, of such income-tax :

Provided that in the case of every co-operative society mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph C*

In the case of every firm,—

*Rate of income-tax*

On the whole of the total income 30 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every firm, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent, of such income-tax :

Provided that in the case of firm mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph D*

In the case of every local authority,—

*Rate of income-tax*

On the whole of the total income 30 per cent.

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, in the case of every local authority, having a total income exceeding one crore rupees, be increased by a surcharge for the purposes of the Union calculated at the rate of ten per cent, of such income-tax :

Provided that in the case of local authority mentioned above having total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

*Paragraph E*

In the case of a company,—

*Rates of income-tax*

- I. In the case of a domestic company 30 per cent. of the total income ;
- II. In the case of a company other than a domestic company—
  - (i) on so much of the total income as consists of,—
    - (a) royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976 ; or
    - (b) fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1 st day of April, 1976,
 and where such agreement has, in either case, been approved by the Central Government. 50 per cent. ;
  - (ii) on the balance, if any, of the total income 40 per cent. ;

*Surcharge on income-tax*

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall, be increased by a surcharge for the purposes of the Union calculated,—

- (i) in the case of every domestic company,—
  - (a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of five per cent, of such income-tax ; and
  - (b) having a total income exceeding ten crore rupees, at the rate of ten per cent, of such income-tax ;
- (ii) in the case of every company other than a domestic company,—
  - (a) having a total income exceeding one crore rupees but not exceeding ten crore rupees, at the rate of two per cent, of such income-tax ; and
  - (b) having a total income exceeding ten crore rupees, at the rate of five per cent, of such income-tax :

Provided that in the case of every company having a total income exceeding one crore rupees but not exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees :

Provided further that in the case of every company having a total income exceeding ten crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

PART IV  
[See section 2(13)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

*Rule 1.*— Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from other sources” and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly :

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

*Rule 2.*— Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head “Profits and gains of business or profession” and the provisions of sections 30, 31, 32, 36, 37, 38, 40, 40A [other than sub-sections (3) and (4) thereof], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

*Rule 3.*— Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income-tax Act, being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c) shall be computed as if it were income chargeable to income-tax under that Act under the head “Income from house property” and the provisions of sections 23 to 27 of that Act shall, so far as may be, apply accordingly.

*Rule 4.*—Notwithstanding anything contained in any other provisions of these rules, in a case—

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the Income-tax Rules, 1962, and sixty per cent, of such income shall be regarded as the agricultural income of the assessee ;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flat bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962, and sixty-five per cent, of such income shall be regarded as the agricultural income of the assessee ;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962, and sixty per cent, or seventy-five per cent., as the case may be, of such income shall be regarded as the agricultural income of the assessee.

*Rule 5.*— Where the assessee is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income, then, the agricultural income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

*Rule 6.*— Where the result of the computation for the previous year in respect of any source of agricultural income is a loss, such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income :

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

*Rule 7.*—Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

*Rule 8.*—(1) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2014, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013, is a loss, then, for the purposes of sub-section (2) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2006, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2007, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April 2013,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2014.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2015, or, if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous year relevant to the assessment years commencing on the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014, is a loss, then, for the purposes of sub-section (10) of section 2 of this Act,—

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2007, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on



the 1st day of April, 2008 or the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009 or the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2010 or the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2010, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2011 or the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2011, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2012 or the 1st day of April, 2013 or the 1st day of April, 2014,

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2012, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2013 or the 1st day of April, 2014,

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2013, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2014,

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2014,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2015.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2).

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in the First Schedule to the Finance Act, 2006 (21 of 2006) or of the First Schedule to the Finance Act, 2007 (22 of 2007) or of the First Schedule to the Finance Act, 2008 (18 of 2008) or of the First Schedule to the Finance (No. 2) Act, 2009 (33 of 2009) or of the First Schedule to the Finance Act, 2010 (14 of 2010) or of the First Schedule to the Finance Act, 2011 (8 of 2011) or of the First Schedule to the Finance Act, 2012 (23 of 2012) or of the First Schedule to the Finance Act, 2013 (17 of 2013) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

**Rule 9.**—Where the net result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be *nil*.

**Rule 10.**—The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288A relating to rounding off of income) shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

**Rule 11.**—For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same powers as he has under the Income-tax Act for the purposes of assessment of the total income.

## THE SECOND SCHEDULE

(See section 92)

Notification No. (1)	Amendment and date (2)	Period of effect of amendment (3)																								
G.S.R. 185(E), dated the 17th March 2012 [12/ 2012-Customs, dated the 17th March 2012].	In the said notification, in the Table, for S. No. 141 and the entries relating thereto, the following S. No. and entries shall be substituted and shall be deemed to have been substituted with effect from the date specified in column (3), namely :—	From 8th February 2013 to 10th July 2014 (both days inclusive).																								
	<table><tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th>(5)</th><th>(6)</th></tr><tr><td>“141</td><td>2711 12 00,</td><td>Liquefied propane</td><td>Nil</td><td>-</td><td>-”;</td></tr><tr><td></td><td>2711 13 00,</td><td>and butane mixture,</td><td></td><td></td><td></td></tr><tr><td></td><td>2711 19 00</td><td>liquefied propane, liquefied butane and liquefied petroleum gases (LPG) imported by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited for supply to household domestic consumers or to non-domestic exempted category (NDEC) customers.</td><td></td><td></td><td></td></tr></table>	(1)	(2)	(3)	(4)	(5)	(6)	“141	2711 12 00,	Liquefied propane	Nil	-	-”;		2711 13 00,	and butane mixture,					2711 19 00	liquefied propane, liquefied butane and liquefied petroleum gases (LPG) imported by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited for supply to household domestic consumers or to non-domestic exempted category (NDEC) customers.				
(1)	(2)	(3)	(4)	(5)	(6)																					
“141	2711 12 00,	Liquefied propane	Nil	-	-”;																					
	2711 13 00,	and butane mixture,																								
	2711 19 00	liquefied propane, liquefied butane and liquefied petroleum gases (LPG) imported by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited for supply to household domestic consumers or to non-domestic exempted category (NDEC) customers.																								

## THE THIRD SCHEDULE

(See section 94)

In the First Schedule to the Customs Tariff Act,—

(1) in Chapter 24, the tariff item 2402 20 60 and the entries relating thereto shall be omitted ;

(2) in Chapter 40, in tariff item 4015 90 20, for the entry in column (3), the entry “kg.” shall be substituted ;

(3) in Chapter 41, for the entry in column (3) occurring against all the tariff items of heading 4102, the entry “kg.” shall be substituted ;

(4) in Chapter 49, for the entry in column (3) occurring against all the tariff items of headings 4901, 4909 and 4910, the entry “u” shall be substituted ;

(5) in Chapter 73, for the entry in column (3) occurring against all the tariff items of headings 7308, 7323 and 7324, the entry “u” shall be substituted ;

(6) in Chapter 82, for the entry in column (3) occurring against all the tariff items of headings 8205 and 8208, the entry “u” shall be substituted ;

(7) in Chapter 83, for the entry in column (3) occurring against all the tariff items of heading 8301, the entry “u” shall be substituted ;

(8) in Chapter 84,—

(i) for the entry in column (3) occurring against all the tariff items of headings 8405 and 8466, the entry “u” shall be substituted ;

(ii) in tariff items 8418 61 00, 8418 69 10, 8418 69 20, 8418 69 30, 8418 69 40, 8418 69 50, 8418 69 90, 8421 91 00, 8421 99 00, 8432 80 10, 8432 80 20, 8432 80 90, 8432 90 10, 8432 90 90, 8473 30 10, 8473 30 20, 8473 30 30, 8473 30 40, 8473 30 91, 8473 30 92, 8473 30 99, 8473 40 10, 8473 40 90, 8473 50 00 and 8483 90 00, for the entry in column (3) against each of them, the entry “u” shall be substituted ;

(9) in Chapter 85,—

(i) for the entry in column (3) occurring against all the tariff items of headings 8503, 8529, 8532, 8533, 8534, 8535 and 8536, the entry “u” shall be substituted ;

(ii) for the entries in column (4) occurring against tariff items 8517 62 90 and 8517 69 90, the entry “10%” shall be substituted ;

(iii) in tariff items 8517 70 10, 8518 90 00 and 8538 10 10, for the entry in column (3) against each of them, the entry “u” shall be substituted ;

(iv) for the entry in column (3) occurring against all the tariff items of heading 8544, the entry “m” shall be substituted ;

(10) in Chapter 90, in tariff items 9004 90 90, 9005 80 90, 9026 90 00, 9031 10 00, 9031 20 00, 9031 41 00, 9031 49 00 and 9031 90 00, for the entry in column (3) against each of them, the entry “u” shall be substituted ;

(11) in Chapter 91, in tariff items 9110 12 00, 9110 19 00, 9110 90 00 and 9113 10 00, for the entry in column (3) against each of them, the entry “u” shall be substituted.

## THE FOURTH SCHEDULE

(See section 109)

Provisions of the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008 to be amended (1)	Amendment (2)	Date of effect of amendment (3)
Rule 8 of the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008, published <i>vide</i> notification number G.S.R.127 (E), dated the 1st July 2008 [30/2008- Central Excise (N.T.), dated the 1st July 2008].	In the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008, in rule 8, for the first proviso, the following proviso shall be substituted with effect from the date specified in column (3), namely :—  “Provided that where a manufacturer uses an operating machine to produce pouches of different retail sale prices during a month, he shall be liable to pay the duty applicable to the pouch bearing the highest retail sale price for the whole month :”.	13th April 2010.

THE FIFTH SCHEDULE

(See section 110)

Notification No. and date (1)	Amendment (2)	Period of effect of amendment (3)										
G.S.R. 95(E), dated the 1st March 2006 [5/2006-Central Excise, dated the 1st March 2006]	(1) In the said notification, in the Table, after serial number 2B and the entries relating thereto, the following serial number and entries shall be inserted and shall be deemed to have been inserted with effect from the date and up to the period specified in column (3), namely :— <table><tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th>(5)</th></tr><tr><td>“2C</td><td>54 or 55</td><td>(1) Polyester staple fibre or polyester filament yarn manufactured from plastic scrap or plastic waste including waste polyethylene terephthalate bottles (2) Tow manufactured and captively consumed within the factory of its production for the manufacture of goods specified in entry (1)</td><td>Nil</td><td>-</td></tr></table>	(1)	(2)	(3)	(4)	(5)	“2C	54 or 55	(1) Polyester staple fibre or polyester filament yarn manufactured from plastic scrap or plastic waste including waste polyethylene terephthalate bottles (2) Tow manufactured and captively consumed within the factory of its production for the manufacture of goods specified in entry (1)	Nil	-	29th June 2010 to 16th March 2012 (both days inclusive)
(1)	(2)	(3)	(4)	(5)								
“2C	54 or 55	(1) Polyester staple fibre or polyester filament yarn manufactured from plastic scrap or plastic waste including waste polyethylene terephthalate bottles (2) Tow manufactured and captively consumed within the factory of its production for the manufacture of goods specified in entry (1)	Nil	-								
	(2) In the said notification, in the Table, against Chapter 71 of Sl.No. 24, in columns (3), (4) and (5), the following entries shall be inserted and shall be deemed to have been inserted with effect from the date and upto the period specified in column (3), namely :— <table><tr><th>(3)</th><th>(4)</th><th>(5)</th></tr><tr><td>“(I) Articles of— (a) gold, (b) silver, (c) platinum, (d) palladium, (e) rhodium, (f) iridium, (g) osmium, or (h) ruthenium, not bearing a brand name</td><td>Nil</td><td>8”;</td></tr></table>	(3)	(4)	(5)	“(I) Articles of— (a) gold, (b) silver, (c) platinum, (d) palladium, (e) rhodium, (f) iridium, (g) osmium, or (h) ruthenium, not bearing a brand name	Nil	8”;	1st March 2011 to 16th March 2012 (both days inclusive)				
(3)	(4)	(5)										
“(I) Articles of— (a) gold, (b) silver, (c) platinum, (d) palladium, (e) rhodium, (f) iridium, (g) osmium, or (h) ruthenium, not bearing a brand name	Nil	8”;										

## THE SIXTH SCHEDULE

(See section 111)

Notification No. and date (1)	Amendment (2)	Period of effect of amendment (3)										
G.S.R. 163(E), dated the 17th March 2012 [12/2012-Central Excise, dated the 17th March 2012]	(1) In the said notification, in the Table, for serial number 81 and the entries relating thereto, the following serial number and entries shall be substituted and shall be deemed to have been substituted with effect from the date and upto the period specified in column (3), namely :—	From 8 th February 2013 to 10th July 2014 (both days inclusive)										
	<table><tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th>(5)</th></tr><tr><td>"81</td><td>2711 12 00, 2711 13 00 2711 19 00</td><td>Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to household domestic consumers or to Non-Domestic Exempted Category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited</td><td>Nil</td><td>-".</td></tr></table>	(1)	(2)	(3)	(4)	(5)	"81	2711 12 00, 2711 13 00 2711 19 00	Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to household domestic consumers or to Non-Domestic Exempted Category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited	Nil	-".	
(1)	(2)	(3)	(4)	(5)								
"81	2711 12 00, 2711 13 00 2711 19 00	Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to household domestic consumers or to Non-Domestic Exempted Category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited	Nil	-".								
	(2) In the said notification, in the Table, for serial number 172A and the entries relating thereto, the following serial number and entries shall be substituted and shall be deemed to have been substituted with effect from the date and upto the period specified in column (3), namely :—	From 17th March 2012 to 10th July 2014 (both days inclusive)										
	<table><tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th>(5)</th></tr><tr><td>"172A</td><td>54 or 55</td><td>(1) Polyester staple fibre or polyester filament yarn manufactured from plastic scrap or plastic waste including waste polyethylene terephthalate bottles (2) Tow manufactured and captively consumed within the factory of its production for the manufacture of goods specified in entry (1)</td><td>Nil</td><td>-".</td></tr></table>	(1)	(2)	(3)	(4)	(5)	"172A	54 or 55	(1) Polyester staple fibre or polyester filament yarn manufactured from plastic scrap or plastic waste including waste polyethylene terephthalate bottles (2) Tow manufactured and captively consumed within the factory of its production for the manufacture of goods specified in entry (1)	Nil	-".	
(1)	(2)	(3)	(4)	(5)								
"172A	54 or 55	(1) Polyester staple fibre or polyester filament yarn manufactured from plastic scrap or plastic waste including waste polyethylene terephthalate bottles (2) Tow manufactured and captively consumed within the factory of its production for the manufacture of goods specified in entry (1)	Nil	-".								

THE SEVENTH SCHEDULE

(See section 112)

In the Third Schedule to the Central Excise Act,—

(i) in S. No. 15, for the entry in column (2), the entry “2101 11 or 2101 12 00” shall be substituted ;

(ii) after S.No. 30 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

S. No. (1)	Heading, sub-heading or tariff item (2)	Description of goods (3)
“30A.	3002 20 or 3002 30 00	Vaccines (other than those specified under the National Immunisation Program)”;

(iii) after 36 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely :—

(1)	(2)	(3)
“36A.	3215 90 10	Fountain pen ink
36B.	3215 90 20	Ball pen ink
36C.	3215 90 40	Drawing ink”;

(iv) after S. No. 38 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“38A.	3306 10 10	Tooth powder” ;

(v) after S. No. 53 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely :—

(1)	(2)	(3)
“53A.	39 or 40	Nipples for feeding bottles
53B.	4015	Surgical rubber gloves or medical examination rubber gloves”;

(vi) after S. No. 62 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“62A.	7310 or 7326 or any other Chapter	Mathematical boxes, geometry boxes and colour boxes, pencil sharpeners” ;

(vii) after S. No. 65 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“65A.	8215	All goods” ;

(viii) in S. No.68, for the entry in column (3), the entry “All goods except goods specified in sub-heading 8415 20” shall be substituted ;

(ix) for S. No.69 and the entries relating thereto, the following S. No. and entries shall be substituted, namely :—

(1)	(2)	(3)
“69.	8418 2100, 8418 29 00, 8418 30 90, 8418 69 20	Allgoods” ;

(x) in S. No.70, for the entry in column (2), the entry “8421 21” shall be substituted ;

(xi) after S. No. 70 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“70A.	8421 21 20, 8421 99 00	Water filters functioning without electricity and replaceable kits thereof” ;

(xii) in S. No. 73, for the entry in column (3), the entry “Typewriters” shall be substituted ;

(xiii) in S. No. 76, for the entry in column (3), the entry “All goods other than parts falling under tariff item 8506 90 00” shall be substituted ;

(xiv) in S. No. 76A, for the entry in column (3), the entry “All goods other than parts falling under tariff item 8508 70 00” shall be substituted ;

(xv) in S. No. 77, for the entry in column (3), the entry “All goods other than parts falling under tariff item 8509 90 00” shall be substituted ;

(xvi) in S. No. 78, for the entry in column (3), the entry “All goods other than parts falling under tariff item 8510 90 00” shall be substituted ;

(xvii) in S. No. 79, for the entry in column (3), the entry “All goods other than parts failing under tariff item 8513 90 00” shall be substituted ;

(xviii) in S. No. 81, for the entry in column (3), the entry “Telephone sets including telephones with cordless handsets and for cellular networks or for other wireless networks ; videophones” shall be substituted ;

(xix) after S. No. 81B and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“81C.	8517	Wireless data modem cards with PCMCIA or USB or PCI express ports” ;

(xx) in S. No. 84, for the entry in column (3), the entry “All goods except goods specified in tariff items 8523 21 00, 8523 29 60 to 8523 29 90, 8523 41 20 to 8523 41 50, 8523 49 30, 8523 49 50 to 8523 49 90, 8523 52 10, 8523 59, 8523 80 20, 8523 80 30 and 8523 80 60” shall be substituted ;

(xxi) after S. No. 84 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“84A.	8523 80 20	Packaged software or canned software.

*Explanation.*—For the purposes of this Schedule, “Packaged software or canned software” means a software developed to meet the needs of variety of users, and which is intended for sale or capable of being sold off the shelf.’ ;



(xxii) for S. No. 89 and the entries relating thereto, the following S. No. and entries shall be substituted, namely :—

(1)	(2)	(3)
“89.	8517 or 8525 60	Mobile handsets including Cellular Phones and Radio trunking terminals” ;

(xxiii) in S. No. 94, for the entry in column (3), the entry “All goods except lamps for automobiles” shall be substituted ;

(xxiv) after S. No. 94 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“94A.	Chapter 84 or 85	Goods capable of performing two or more functions of items specified at S. Nos. 67 to 94” ;

(xxv) after S. No. 99 and the entries relating thereto. the following S. No. and entries shall be inserted, namely :—

(1)	(2)	(3)
“99A.	9619	All goods”.

## THE EIGHTH SCHEDULE

(See section 113)

In the First Schedule to the Central Excise Tariff Act, 1985,—

1. in Chapter 24,—

(a) for the entries in column (4) occurring against tariff items 2401 10 10, 2401 10 20, 2401 10 30, 2401 10 40, 2401 10 50, 2401 10 60, 2401 10 70, 2401 10 80, 2401 10 90, 2401 20 10, 2401 20 20, 2401 20 30, 2401 20 40, 2401 20 50, 2401 20 60, 2401 20 70, 2401 20 80 and 2401 20 90, the entry “55%” shall be substituted ;

(b) in tariff items 2402 10 10 and 2402 10 20, for the entry in column (4), the entry “12 % or Rs. 2250 per thousand, whichever is higher” shall be substituted ;

(c) in tariff item 2402 20 10, for the entry in column (4), the entry “Rs. 990 per thousand” shall be substituted ;

(d) in tariff item 2402 20 20, for the entry in column (4), the entry “Rs. 1995 per thousand” shall be substituted ;

(e) in tariff item 2402 20 30, for the entry in column (4), the entry “Rs. 990 per thousand” shall be substituted ;

(f) in tariff item 2402 20 40, for the entry in column (4), the entry “Rs. 1490 per thousand” shall be substituted ;

(g) in tariff item 2402 20 50, for the entry in column (4), the entry “Rs. 1995 per thousand” shall be substituted ;

(h) the tariff item 2402 20 60 and the entries relating thereto shall be omitted ;

(i) in tariff item 2402 90 10, for the entry in column (4), the entry “Rs. 2250 per thousand” shall be substituted ;

(j) in tariff items 2402 90 20 and 2402 90 90, for the entry in column (4), the entry “ 12% or Rs. 2250 per thousand, whichever is higher” shall be substituted ;

(k) in the heading 2403, in sub-heading 2403 19, after the tariff item 2403 19 10, for the tariff item occurring as “2403 19”, the tariff item “2403 19 21” shall be substituted ;

(l) for the entries in column (4) occurring against tariff items 2403 99 10, 2403 99 30 and 2403 99 90, the entry “70%” shall be substituted ;

2. in Chapter 40, in tariff item 4015 90 20, for the entry in column (3), the entry “kg.” shall be substituted ;

3. in Chapter 41, for the entry in column (3) occurring against all the tariff items of heading 4102, the entry “kg.” shall be substituted ;

4. in Chapter 49, for the entry in column (3) occurring against all the tariff items of headings 4901, 4909 and 4910, the entry “u” shall be substituted ;

5. in Chapter 73, for the entry in column (3) occurring against all the tariff items of headings 7308, 7323 and 7324, the entry “u” shall be substituted ;

6. in Chapter 82, for the entry in column (3) occurring against all the tariff items of headings 8205 and 8208, the entry “u” shall be substituted ;

7. in Chapter 83, for the entry in column (3) occurring against all the tariff items of heading 8301, the entry “u” shall be substituted ;

8. in Chapter 84,—

(i) for the entry in column (3) occurring against all the tariff items of headings 8405 and 8466, the entry “u” shall be substituted ;

(ii) in tariff items 8418 61 00, 8418 69 10, 8418 69 20, 8418 69 30, 8418 69 40, 8418 69 50, 8418 69 90, 8421 91 00, 8421 99 00, 8432 80 10, 8432 80 20, 8432 80 90, 8432 90 10, 8432 90 90, 8473 30 10, 8473 30 20, 8473 30 30, 8473 30 40, 8473 30 91, 8473 30 92, 8473 30 99, 8473 4010,

8473 40 90, 8473 50 00 and 8483 90 00, for the entry in column (3) against each of them, the entry “u” shall be substituted ;

9. in Chapter 85,—

(i) for the entry in column (3) occurring against all the tariff items of headings 8503, 8529, 8532, 8533, 8534, 8535 and 8536, the entry “u” shall be substituted ;

(ii) in tariff items 8517 70 10, 8518 90 00 and 8538 10 10, for the entry in column (3) against each of them, the entry “u” shall be substituted ;

(iii) for the entry in column (3) occurring against all the tariff items of heading 8544, the entry “m” shall be substituted ;

10. in Chapter 90, in tariff items 9004 90 90, 9005 80 90, 9026 90 00, 9031 10 00, 9031 20 00, 9031 41 00, 9031 49 00 and 9031 90 00, for the entry in column (3) against each of them, the entry “u” shall be substituted ;

11. in Chapter 91, in tariff items 9110 12 00, 9110 19 00, 9110 90 00 and 9113 10 00 for the entry in column (3) against each of them, the entry “u” shall be substituted.

## THE NINTH SCHEDULE

[See section 118 (b)]

In the Seventh Schedule to the Finance Act, 2005,—

(i) after tariff item 2106 90 20 and the entries relating thereto, the following sub-heading and entries shall be inserted, namely :—

Tariff item (1)	Description of goods (2)	Unit (3)	Rate of duty (4)
“2202 10	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured :	1	5%”;

(ii) tariff item 2402 20 60 and the entries relating thereto shall be omitted.

DR. SANJAY SINGH,  
Secretary to the Government of India.

## MINISTRY OF LAW AND JUSTICE

(LEGISLATIVE DEPARTMENT)

*New Delhi, the 25th August, 2014/Bhandra 3, 1936 (Saka)*

The following Act of Parliament received the assent of the president on the 22nd August, 2014, and is hereby published for general information :—

### THE SECURITIES LAWS (AMENDMENT) ACT, 2014

(No. 27 of 2014)

[22nd August, 2014.]

An Act further to amend the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 and the Depositories Act, 1996.

BE it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows :—

#### CHAPTER I

##### PRELIMINARY

1. *Short title and commencement.*—(1) This Act may be called the Securities Laws (Amendment) Act, 2014.

(2) Save as otherwise provided, the provisions of this Act, except clause (ii) of section 5, section 6 to section 16, section 25 to section 33, section 36 and section 41 to section 48, shall be deemed to have come into force on the 18th day of July, 2013.

(3) The provisions of clause (ii) of section 5, section 16, section 33, section 36 and section 48 of this Act shall be deemed to have come into force on the 28th day of March, 2014.

(4) The provisions of section 6 to section 15, section 25 to section 32 and section 41 to section 47 of this Act shall come into force on such date as the Central Government may, by notification in the *Official Gazette*, appoint.

#### CHAPTER II

##### AMENDMENTS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

2. *Amendment of section 11.*—In section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) (hereafter in this Chapter referred to as the principal Act),—

(i) in sub-section (2),—

(a) for clause (ia), the following clause shall be substituted, namely :—

“(ia) calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities ;” ;

(b) after clause (ia), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 6th day of March, 1998, namely :—

“(ib) calling for information from, or furnishing information to, other authorities, whether in India or outside India, having functions similar to those of the Board, in the matters relating to the prevention or detection of violations in respect of securities laws, subject to the provisions of other laws for the time being in force in this regard :

Provided that the Board, for the purpose of furnishing any information to any authority outside India, may enter into an arrangement or agreement or understanding with such authority with the prior approval of the Central Government ;” :

(ii) after sub-section (4), the following sub-section shall be inserted, namely :—

“(5) The amount disgorged, pursuant to a direction issued, under section 11B of this Act or section 12A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or section 19 of the Depositories Act, 1996 (22 of 1996), as the case maybe, shall be credited to the Investor Protection and Education Fund established by the Board and such amount shall be utilised by the Board in accordance with the regulations made under this Act.

3. *Amendment of section 11AA.*—In section 11AA of the principal Act,—

(i) in sub-section (1),—

(a) after the word, brackets and figure “ sub-section (2)”, the words, brackets, figure and letter “or sub-section (2A)” shall be inserted ;

(b) the following proviso shall be inserted, namely :—

“Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under sub-section (3), involving a corpus amount of one hundred crore rupees or more shall be deemed to be a collective investment scheme.” ;

(ii) in sub-section (2), in the opening portion, for the word “company”, the word “person” shall be substituted ;

(iii) after sub-section (2), the following sub-section shall be inserted, namely :—

“(2A) Any scheme or arrangement made or offered by any person satisfying the conditions as may be specified in accordance with the regulations made under this Act.” ;

(iv) in sub-section (3),—

(a) after the word, brackets and figure “ sub-section (2)”, the words, brackets, figure and letter “or sub-section (2A)” shall be inserted ;

(b) after clause (viii), the following clause shall be inserted, namely :—

“(ix) such other scheme or arrangement which the Central Government may, in consultation with the Board, notify.”.

4. *Amendment of section 11B.*—In section 11B of the principal Act, the following *Explanation* shall be inserted, namely :—

“*Explanation.*—For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.”.

5. *Amendment of section 11C.*—In section 11C of the principal Act,—

(i) in sub-section (8), for the words “the Judicial Magistrate of the first class having jurisdiction”, the words “the Magistrate or Judge of such designated court in Mumbai, as may be notified by the Central Government” shall be substituted ;

(ii) after sub-section (8), the following sub-section shall be inserted, namely :—

“(8-A) The authorised officer may requisition the services of any police officer or any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (8) and it shall be the duty of every such officer to comply with such requisition.” ;

(iii) in sub-section (9), for the words “the Magistrate” occurring at both the places, the words “the Magistrate or Judge of the Designated Court” shall be substituted ;

(iv) in sub-section (10), for the words “the Magistrate”, the words “the Magistrate or Judge of the Designated Court” shall be substituted.

**6. Amendment of section 15A.**—In section 15A of the principal Act, in clauses (a), (b) and (c), for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**7. Amendment of section 15B.**—In section 15B of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**8. Amendment of section 15C.**—In section 15C of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**9. Amendment of section 15D.**—In section 15D of the principal Act,—

(i) in clause (a), for the words “of one lakh rupees for each day during which he sponsors or carries on any collective investment scheme including mutual funds, or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds subject to a maximum of one crore rupees” shall be substituted ;

(ii) in clauses (b), (c), (d), (e) and (f), for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**10. Amendment of section 15E.**—In section 15E of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**11. Amendment of section 15F.**—In section 15F of the principal Act,—

(i) in clause (a), for the words “a penalty not exceeding five times the amount”, the words, “a penalty which shall not be less than one lakh rupees but which may extend to” shall be substituted ;

(ii) in clause (b), for the words “of one lakh rupees for each day during which such failure continues, or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds subject to a maximum of one crore rupees” shall be substituted ;

(iii) in clause (c), for the words “of one lakh rupees or five times the amount of brokerage”, the words “which shall not be less than one lakh rupees but which may extend to five times the amount of brokerage” shall be substituted.

**12. Amendment of section 15G.**—In section 15G of the principal Act, for the words “of twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher”, the words “which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher” shall be substituted.

**13. Amendment of section 15H.**—In section 15H of the principal Act, for the words “of twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher”, the words “which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher” shall be substituted.

**14. Amendment of section 15HA.**—In section 15HA of the principal Act, for the words “of twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher”, the words “which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher” shall be substituted.

**15. Amendment of section 15HB.**—In section 15HB of the principal Act, for the words “liable to a penalty which may extend to one crore rupees”, the words “liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees” shall be substituted.

**16. Amendment of section 15-I.**—In section 15-I of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely :—

“(3) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify :

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter :

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 15T, whichever is earlier.”.

**17. Insertion of new section 15JB.**—After section 15JA of the principal Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 20th day of April, 2007, namely :—

“**15JB. Settlement of administrative and civil proceedings.**—(1) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 11, section 11B, section 11D, sub-section (3) of section 12 or section 15-I, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(2) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under this Act.

(3) The settlement proceedings under this section shall be conducted in accordance with the procedure specified in the regulations made under this Act.

(4) No appeal shall lie under section 15T against any order passed by the Board or adjudicating officer, as the case may be, under this section.”.

**18. Amendment of section 15T.**—In section 15T of the principal Act, sub-section (2) shall be omitted.

**19. Amendment of section 26.**—In section 26 of the principal Act, sub-section (2) shall be omitted.



**20.** *Insertion of new sections 26A, 26B, 26C, 26D, and 26E.*—After section 26 of the principal Act, the following sections shall be inserted, namely :—

**“26A.** *Establishment of special Courts.*—(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(2) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(3) A person shall not be qualified for appointment as a Judge of a Special Court unless he is, immediately before such appointment, holding the Office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

**26B.** *Offences triable by Special Courts.*—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned.

**26C.** *Appeal and revision.*—The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 (2 of 1974) on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

**26D.** *Application of Code to proceedings before Special Court.*—(1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973.

(2) The person conducting prosecution referred to in sub-section (7) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

**26E.** *Transitional provisions.*—Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974) :

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code of Criminal Procedure, 1973 (2 of 1974) to transfer any case or class of cases taken cognizance by a Court of Session under this section.”.

**21.** *Insertion of new section 28A.*—After section 28 of the principal Act, the following section shall be inserted, namely :—

**“28A.** *Recovery of amounts.*—(1) If a person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any direction of the Board for refund of monies or fails to comply with a direction of disgorgement order issued under section 11B or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely :—

- (a) attachment and sale of the person's movable property ;
- (b) attachment of the person's bank accounts ;

(c) attachment and sale of the person's immovable property ;

(d) arrest of the person and his detention in prison ;

(e) appointing a receiver for the management of the person's movable and immovable properties,

and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules made thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961.

*Explanation 1.*— For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid ; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act.

*Explanation 2.*— Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

*Explanation 3.*— Any reference to appeal in Chapter XVIII and the Second Schedule to the Income-tax Act, 1961 (43 of 1961), shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 15T of this Act.

(2) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (1).

(3) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (1), pursuant to non-compliance with any direction issued by the Board under section 11B, shall have precedence over any other claim against such person.

(4) For the purposes of sub-sections (1), (2) and (3), the expression "Recovery Officer" means any Officer of the Board who may be authorised, by general or special order in writing, to exercise the powers of a Recovery Officer."

**22. Amendment of section 30.**—In section 30 of the principal Act, in sub-section (2),—

(i) after clause (c), the following clauses shall be inserted, namely :—

"(ca) the utilisation of the amount credited under sub-section (5) of section 11 ;

(cb) the fulfilment of other conditions relating to collective investment scheme under sub-section (2A) of section 11AA ;";

(ii) after clause (d), the following clauses shall be inserted, namely :—

"(da) the terms determined by the Board for settlement of proceedings under sub-section (2) and the procedure for conducting of settlement proceedings under sub-section (3) of section 15JB ;

(db) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations."

**23. Insertion of new section 34A.**—After section 34 of the principal Act, the following section shall be inserted, namely :—

“ **34A. Validation of certain acts.**—Any act or thing done or purporting to have been done under the principal Act, in respect of calling for information from, or furnishing information to, other authorities, whether in India or outside India, having functions similar to those of the Board and in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.”.

### CHAPTER III

#### AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

**24. Amendment of section 12A.**—In section 12A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) (hereafter in this Chapter referred to as the principal Act), the following *Explanation* shall be inserted, namely :—

“*Explanation.*— For the removal of doubts, it is hereby declared that power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.”.

**25. Amendment of section 23A.**—In section 23 A of the principal Act, in clauses (a) and (b), for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**26. Amendment of section 23B.**—In section 23B of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**27. Amendment of section 23C.**—In section 23C of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**28. Amendment of section 23D.**—In section 23D of the principal Act, for the words “liable to a penalty not exceeding one crore rupees”, the words “liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees” shall be substituted.

**29. Amendment of section 23E.**—In section 23E of the principal Act, for the words “liable to a penalty not exceeding twenty-five crore rupees”, the words “liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees” shall be substituted.

**30. Amendment of section 23F.**—In section 23F of the principal Act, for the words “liable to a penalty not exceeding twenty-five crore rupees”, the words “liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees” shall be substituted.

**31. Amendment of section 23G.**—In section 23 G of the principal Act, for the words “liable to a penalty not exceeding twenty-five crore rupees”, the words “liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees” shall be substituted.

**32. Amendment of section 23H.**—In section 23H of the principal Act, for the words “liable to a penalty which may extend to one crore rupees”, the words “liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees” shall be substituted.

**33. Amendment of section 23-I.**—In section 23-1 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely :—

“(3) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify :

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter :

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 23L, whichever is earlier.”.

**34. Insertion of new section 23JA.**—After section 23J of the principal Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 20th day of April, 2007, namely :—

“**23JA. Settlement of administrative and civil proceedings.**—(1) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 12A or section 23-1, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(2) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

(3) For the purposes of settlement under this section, the procedure as specified by the Board under the Securities and Exchange Board of India Act, 1992 (15 of 1992) shall apply.

(4) No appeal shall lie under section 23L against any order passed by the Board or the adjudicating officer, as the case may be, under this section.”.

**35. Insertion of new section 23JB.**—After section 23JA of the principal Act as so inserted, the following section shall be inserted, namely :—

“**23 JB. Recovery of amounts.**—(1) If a person fails to pay the penalty imposed by the adjudicating officer or fails to comply with a direction of disgorgement order issued under section 12A or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely :—

(a) attachment and sale of the person's movable property ;

(b) attachment of the person's bank accounts ;

(c) attachment and sale of the person's immovable property ;

(d) arrest of the person and his detention in prison ;

(e) appointing a receiver for the management of the person's movable and immovable properties,

and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961.

*Explanation 1.*—For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred, directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid ; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act.

*Explanation 2.*— Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

*Explanation 3.*— Any reference to appeal in Chapter XVIII and the Second Schedule to the Income-tax Act, 1961 (43 of 1961), shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 23L of this Act.

(2) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (1).

(3) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (1), pursuant to non-compliance with any direction issued by the Board under section 12A, shall have precedence over any other claim against such person.

(4) For the purposes of sub-sections (1), (2) and (3), the expression "Recovery Officer" means any officer of the Board who may be authorised, by general or special order in writing to exercise the powers of a Recovery Officer.¹

**36. Amendment of section 23L.**—In section 23L of the principal Act, in sub-section (1), after the word, figure and letter "section 4B", the words, brackets, figures and letter "or sub-section (3) of section 23-I" shall be inserted.

**37. Amendment of section 26.**—In section 26 of the principal Act, sub-section (2) shall be omitted.

**38. Insertion of new sections 26A, 26B, 26C, 26D and 26F.**—After section 26 of the principal Act, the following sections shall be inserted, namely :—

**"26A. Establishment of Special Courts.**—(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(2) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(3) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

**26B. Offences triable by Special Courts.**—Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 (2 of 1974) or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned.

**26C.** *Appeal and Revision.*—The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 (2 of 1974) on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

**26D.** *Application of Code to proceedings before Special Court.*—(1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973.

(2) The person conducting prosecution referred to in sub-section (1) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

**26E.** *Transitional provisions.*—Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974) :

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code to transfer any case or class of cases taken cognizance by a Court of Session under this section.”

**39.** *Amendment of section 31.*—In section 31 of the principal Act, in sub-section (2), after clause (b), the following clauses shall be inserted, namely :—

“(c) the terms determined by the Board for settlement of proceedings under sub-section (2) of section 23 JA ;

(d) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.”.

**40.** *Amendment of section 32.*—After section 31 of the principal Act, the following section shall be inserted, namely :—

“**32.** *Validation of certain acts.*—Any act or thing done or purporting to have been done under the principal Act, in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.”.

## CHAPTER IV

### AMENDMENTS TO THE DEPOSITORIES ACT, 1996

**41.** *Amendment of section 19.*—In section 19 of the Depositories Act, 1996 (22 of 1996) (hereafter in this Chapter referred to as the principal Act), the following *Explanation* shall be inserted, namely :—

“*Explanation.*— For the removal of doubts, it is hereby declared that power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.”.

**42.** *Amendment of section 19A.*—In section 19 A of the principal Act, in clauses (a), (b) and (c), for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**43. Amendment of section 19B.**—In section 19B of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**44. Amendment of section 19C.**—In section 19C of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**45. Amendment of section 19D.**—In section 19D of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**46. Amendment of section 19E.**—In section 19E of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**47. Amendment of section 19F.**—In section 19F of the principal Act, for the words “of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less”, the words “which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees” shall be substituted.

**48. Amendment of section 19G.**—In section 19G of the principal Act, for the words “liable to a penalty which may extend to one crore rupees”, the words “liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees” shall be substituted.

**49. Amendment of section 19H.**—In section 19H of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely :—

“(3) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify :

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter :

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 23 A, whichever is earlier.”.

**50. Insertion of new section 19-IA.**—After section 19-1 of the principal Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 20th day of April, 2007, namely :—

**“19-IA. Settlement of Administrative and Civil Proceedings.**—(1) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 19 or section 19H, as the case may be, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(2) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (5 of 1992).

(3) For the purpose of settlement under this section, the procedure as specified by the Board under the Securities and Exchange Board of India Act, 1992 (15 of 1992) shall apply.

(4) No appeal shall lie under section 23 A against any order passed by the Board or the adjudicating officer under this section.”.

**51. Insertion of new section 19-IB.**—After section 19-IA of the principal Act as so inserted, the following section shall be inserted, namely :—

**“19-IB. Recovery of amounts.**—(1) If a person fails to pay the penalty imposed by the adjudicating officer or fails to comply with a direction of disgorgement order issued under section 19 or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely : —

- (a) attachment and sale of the person’s movable property ;
- (b) attachment of the person’s bank accounts ;
- (c) attachment and sale of the person’s immovable property ;
- (d) arrest of the person and his detention in prison ;
- (e) appointing a receiver for the management of the person’s movable and immovable properties,

and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961.

*Explanation 1.*— For the purposes of this sub-section, the person’s movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred, directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son’s wife or son’s minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid : and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son’s minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son’s minor child, as the case may be, continue to be included in the person’s movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act,

*Explanation 2.*—Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 (43 of 1961) and the Income-tax (Certificate Proceedings) Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

*Explanation 3.*— Any reference to appeal in Chapter XVIII and the Second Schedule to the Income-tax Act, 1961 (42 of 1961), shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 23A of this Act,

(2) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (1).



(3) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (1), pursuant to non-compliance with any direction issued by the Board under section 19, shall have precedence over any other claim against such person.

(4) For the purposes of sub-sections (1), (2) and (3), the expression "Recovery Officer" means any officer of the Board who may be authorised, by general or special order in writing, to exercise the powers of a Recovery Officer."

**52. Amendment of section 22.**—In section 22 of the principal Act, sub-section (2) shall be omitted.

**53. Insertion of new sections 22C, 22D, 22E, 22F and 22G.**—After section 22B of the principal Act, the following sections shall be inserted, namely :—

**"22C. Establishment of special Courts.**—(1) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(2) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(3) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

**22D. Offences triable by Special Courts.**—Notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974), all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned.

**22E. Appeal and revision.**—The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 (2 of 1974) on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

**22F. Application of Code to proceedings before Special Court.**—(1) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (u) of section 2 of the Code of Criminal Procedure, 1973.

(2) The person conducting prosecution referred to in sub-section (1) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

**22G. Transitional provisions.**—Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973 (2 of 1974) :

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code to transfer any case or class of cases taken cognizance by a Court of Session under this section."

**54. Amendment of section 23A.**—In section 23 A of the principal Act, sub-section (2) shall be omitted.

**55. Amendment of section 25.**—In section 25 of the principal Act, in sub-section (2), after clause (g), the following clauses shall be inserted, namely :—

“(h) the terms determined by the Board for settlement of proceedings under sub-section (2) of section 19-IA ;

(i) any other matter which is required to be, or may be, specified by regulations or in respect of which provision to be made by regulations.”.

**56. Insertion of new section 30A.**—After section 30 of the principal Act, the following section shall be inserted, namely :—

“**30A. Validation of certain acts.**—Any act or thing done or purporting to have been done under the principal Act, in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.”.

**57. Validation and savings.**—Notwithstanding the fact that the Securities Laws (Amendment) Ordinance, 2014 (Ord. 2 of 2014) has ceased to operate, anything done or any action taken or purported to have been done or taken under the provisions of the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act as if such provisions had been in force at all material times.

DR. SANJAY SINGH,  
Secretary to the Government of India.

By order and in the name of the Governor of Maharashtra,

M. A. SAYEED,  
Principal Secretary to Government,  
Law and Judiciary Department.